THE Freeman

IDEAS ON LIBERTY

OCTOBER 1962

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INDIVIDUAL LIBERTY in the CRUCIBLE of HISTORY

CLARENCE B. CARSON

BUT SURELY, I will be told, even if a rebirth of liberty were needed, now is not the time for it. What we need in these times, says the critic, are unity and strength. Surely, it is unwise to cast doubts upon the benevolence of our government and to divide our people by calling for a return to liberty. Besides, times have changed, and we must adjust to and go forward with them. The trend everywhere today is toward socialism and collectivism, and Americans must adapt to the actual world within which they live. Even if it were possible to "turn back the clock," what would our socialistic allies think of the effort? Speak to us not of individual liberty but of collective security, for the latter is what our age requires. Let us shed a tear for the passing of individualism and merge ourselves once more with the spirit of the times and join in the collective effort.

Can there be an effective reply to this propagated "wisdom" of our era? Is it possible to restore

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Dr. Carson has recently transferred from Jacksonville State College in Alabama to his new post as Professor of American History at Grove City College in Pennsylvania. This is the sixth and concluding article of the series on *Individual Liberty in the Crucible of History*.

Illustration: Tower of Old North Church, Boston. A. Devaney, Inc., New York.

6. A Rebirth of Liberty

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liberty, to return to the path from which we have wandered? Is individual liberty practical in these complex and disordered times? If these questions could be answered affirmatively, would it be possible to arouse people from their apathy and unconcern with liberty?

The Right Time

But when, let us ask, were the times right for liberty? Surely, no one will say that they were right in 1776. Read again Thomas Paine's description of the world situation in that year: "Every spot of the Old World is overrun with oppression. Freedom has been hunted round the globe. Asia and Africa have long expelled her. Europe regards her like a stranger, and England has given her warning to depart."

Grant that Paine may have been guilty of exaggeration, for his report was not that of a sober reporter but of a man on fire for liberty and independence. Yet a historian can only modify the judgment and eliminate the exaggeration, not deny its validity entirely. Continental European countries were generally ruled by despots, though some of them were called enlightened. The French Estates General had not met in the memory of any living man. Spain was well on the way of its long day's journey into night. The English monarch, George III, was attempting to reassert the declining authority of the English crown. There was not a major republic anywhere in the world. Were these propitious times for liberty?

Historians, with that particular distortion which they almost invariably bring to the past, have, of course, presented a rather different picture of the eighteenth century. They see that people were being sensitized and made ready for liberty by the Enlightenment, by the works of philosophers and scholars, by the thrust of merchants for economic freedom, and by a rising tide of discontent. Yet even as late as 1760 there was no discernible rising tide of discontent even in America. Nor were there many signs of greater political sensitivity. Voting records for the mid-eighteenth century indicate that even among those who could vote in elections only a minority did.

We read now of the works of John Locke, Voltaire, Adam Smith, Montesquieu, and Jean Jacques Rousseau. But suppose events and developments had taken a different course? It is likely the memory of some of these men would not have survived their day. Thomas Paine might have been only a "misguided" polemicist, had things turned out differently.

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Who are the great economists of our day? Shall we remember John Maynard Keynes and John Kenneth Galbraith? Or will historians fasten one day on the seminal work of Ludwig von Mises and F. A. Hayek? The libertarian movement which today appears virtually insignificant may one day be studied by historians as a sign of a rising tide of freedom. Stranger things than this have happened in the past.

I do not predict what will happen in the future. Nor will I accept the predictions of others as to what will be. So far as I know, the future is undetermined. I do know with certainty that at one time in the past America ceased adjusting to the world of its time. Americans did not follow the trend of Europe but led it. And the example of Americans breaking with the leadership of Europe and striking out on their own encouraged and emboldened other men who longed for freedom. How daring it was in 1776 to throw off monarchy, in 1787 to conceive a Constitution for which there was no model, and to rest the government finally upon the consent of the governed! Was it the times that wrought these things? Or was it Patrick Henry, Thomas Jefferson, Samuel Adams, John Adams, Richard Henry Lee, George Washington, Benjamin Franklin, and those others who struck a responsive chord in the hearts of Americans and guided that response toward the achievement of liberty and independence? I incline to the latter view myself.

But if Americans are unconcerned and apathetic today, leaders would be of no avail, even were they to speak out. It may be, as the critics say, that there is among us little enthusiasm for public undertakings. This may, however, be a hopeful rather than a discouraging sign for liberty. It may mean nothing more than that men are unenthusiastic about welfare programs, that they have tired of a never-ending expediency, that they are weary of vulgar appeals to self-interest narrowly conceived.

Tired of Reform

Man does not live by bread alone, and materialistic politicians and leaders may be subsisting today on the dregs of appeals which have lost their evocative power. The man with a two-car garage may endure grudgingly yet another proposal to extend social security but be ready and eager to stand for something which will ennoble him and restore meaning to his life. Letters-to-the-editor suggest that there may be millions of Americans who have not

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yet forfeited the faith of their fathers, who remember still the meaning of liberty and long to see it restored and revitalized.

Could it be that it is the intellectuals and politicians who are out of step? It is possible that words like Liberty, Truth, and Justice might awaken a glad response, had we men with the courage to use them and the sturdiness to exemplify them. Apathy may well be the end product of a stultifying welfare state.

The Path to Recovery

Is it possible to get off the road to collectivism and return to the path of liberty? I think so. As I said in the first article of this series, we must retrace our steps if we are to restore liberty in America. This is the least difficult of changes of direction to take. It is the way of rededication, not revolution; of restoration, not innovation; of a return to the tried and true, not an embarking into the unknown.

Superficially, the return to liberty should be easy for Americans. The United States Constitution – the bulwark of our liberty – still provides the higher law in this Republic. Technically it does, anyhow. There have been some regrettable amendments to it, notably the Fourteenth and Sixteenth, and numerous dubious court decisions. But the restoration of liberty can be made within the constitutional framework and would involve to considerable extent a return to that document.

Then, too, there is a great tradition of liberty, for which America was once known round the world. That tradition embraces such concepts as constitutional government, government by law rather than by men, representative government, separation of powers within the government, limited government, and certain inalienable rights belonging to man. These are concepts and principles that can serve as mighty levers for the protection and extension of liberty.

But concepts, institutions, and documents are of little use if men have lost faith in liberty. It is useless to talk of a return to the Constitution if that return is not preceded and accompanied by a vital faith. Faith is essential to all human undertakings for the following reasons: (1) Human knowledge is always limited, partial, and subjected to distorted interpretations resulting from human frailty. (2) Such knowledge as we attain can only be had by a faith that we can obtain it. (3) Faith must precede the works by which we test the validity of our hypotheses. (4) Insofar as we would know of ultimate ends and

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results, our knowledge is based entirely upon faith.

Faith alone can restore the meaning and urgency to liberty that would cause it to blossom once more in America. Why does liberty matter anyhow? Can it be pragmatically – that is, in terms of its immediate results – justified? There are those who argue that liberty produces material and social benefits, and they appeal to reason and history to support their point of view. But there are others – probably more numerous – who point up the inequalities that result from liberty, who emphasize the unhappiness and warped lives that result from deprivation, who declare that production – which they concede might be advanced by liberty – is no longer the problem. Liberty, they say, is of no account to men who are hungry. The liberty of some must be reduced so that the happiness of all may be advanced. The pragmatic defenders of liberty say this is not so, and retire behind a barrage of statistics to prove their contention. But alas, there are statistics and statistics, and the lesson of history is neither so plain nor human vision so clear that any one answer must be accepted.

Even if the pragmatic defenders of liberty were right, and liberty will provide the most goods with the most equitable distribution in the long run, they would be answered by a Harry Hopkins that men do not eat in the long run. More, it is doubtful that the materialistic argument can give that urgency to liberty that can foster its restoration. Today we may be eating the remains of the goose that laid the golden egg, but so long as we are well-fed, not many of us will be concerned to notice it or have the vision to comprehend its meaning.

Man Is a Moral Being

But there is a higher, nobler, and more forceful justification for liberty, before which materialistic explanations pale. It is simply this: *man is a moral being.* His existence has ethical and spiritual dimensions which give it ultimate meaning. The moral character of his life is evinced in the making of choices. Liberty is that condition within which choices can be made and spiritual growth take place. The greater the degree of liberty the larger the latitude for choice and growth. To put it negatively, when liberty is reduced and taken away, the moral character of human action is limited and the opportunities for growth are diminished.

Within this framework, social planning becomes not simply a debatable method of achieving the

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production and distribution of goods but rather a diabolical assault upon the meaning and significance of human existence. For social planning reduces the area of *individual* decision and choice. This is so whether the planning is done by a dictator or democratically by a vote of the whole people. The actions of societies and governments have moral consequences, but neither societies nor governments are moral in any significant sense. The ultimate significance of human morality lies in an eternal realm to which no entrance has been promised societies and governments.

Improper Methods

There are those who agree that man is a moral being, but who maintain that this is the very justification of their social programs. They want to free man from those economic urgencies which stunt his character and absorb his life.

In order to do this, they take away from all men those liberties by which they produce and distribute goods and relieve men of much of their responsibility for providing for themselves. They introduce a vast immorality into human relations – by taking from those who produce and giving to those who do not – and wonder at the rise of juvenile delinquency, the spread of crime, and the blight of corruption in government. They remove some of the main props of the family and describe the disintegration of the family as a transition.

When men are still not entirely good, they proceed to make them good by legislation. They enact compulsory attendance laws for school children, make plans for teaching morality in the schools, lobby for prohibitions upon the sale of firearms, alcoholic beverages, certain kinds of literature, and gasp in horror at the "intolerance" which they have bred.

Once set upon this road of making man good by law, they apparently will find no place to turn back until they have removed all opportunities to do evil. But in this, too, they are frustrated at every step. For the agencies they invent to control man for good fall into the hands of those who use them for selfish and evil ends.

All of this could have been, and no doubt was, predicted in advance. Man was so created that he cannot be *made good*. Goodness, as men know it, is an option of man. It depends upon free choice and voluntary commitment. He needs all the choices and responsibilities that can befall him to remain sensitive to the problem and practiced in the right re-

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sponse. Remove the responsibilities that are by rights those of a man and you take away the most immediate incentives for right choice. There is visible evidence of the truth of these remarks, but their full meaning must be approached from a deep faith.

Those who have such a faith are ready to learn the other steps to be taken for a rebirth of liberty. From this vantage point we can restore the foundations of American liberty. "The three basic foundations of our liberty are," as I said, "(1) beliefs which support it, (2) institutions which protect it, and (3) personal independence without which it is meaningless and impossible." The fundamental beliefs of the founders of American liberty were, as I pointed out in the first article of this series: belief in "natural law, freedom of the mind and will, individual responsibility, and rationalism. These in turn were given evocative power by the belief that there is a God who imbedded his immutable laws in the visible universe, that the individual has a worth not measurable in human terms, that each individual's good is inseparable from the general welfare, and that liberty is priceless for the individual and socially beneficial."

Are these still viable beliefs? Or have they now been discredited by scientific and psychological findings? I have shown how the belief in reason was undermined by an emphasis upon irrational motives, how freedom of the mind and will were undercut by deterministic theories, how individual responsibility was left stranded when freedom no longer seemed possible, and how new ideas were brought forward to replace the old by men with a collectivistic bent.

The Same Old Ideas

But was there anything new in all these ideas except the "scientific" trappings within which they were purveyed? Surely it is no recent discovery that man is a creature of passions. What philosopher, ancient or modern, has not noted and remarked upon it? Were not the great Greek philosophers all too conscious of the tendency of man to yield to unreason? For what did saints and monks go aside from the world and mortify the flesh if it was not to subdue these unruly passions? Nor is it a new notion that all material existence is contingent and dependent. Even the belief that all things are in a state of continual change was advanced by one of the earliest of philosophers. The great achievements of thought have been not the recognition of the obviously changing but of the subtly

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enduring; not the portraying of the patently ephemeral but the distinguishing of the eternal amidst the flux; not the discovery of relationship and contingency but the perception of ultimate freedom; not the describing of the tendency of man to yield to passions but the working out of reason by which he might overcome them.

A Capacity for Reason

The case for reason is not based upon the belief that man is always reasonable but upon the view that he is capable of using reason. The claim for requiring reason in polite discourse is not that it is the sole or even the most important motive in human behavior but that reason alone can be profitably dealt with in discourse. Indeed, reason is not a motive at all but a method. Irrationalists have made much of reason as a motive – in order to discredit it – but they simply set up a straw man when they do so. When men have to cast their selfish aims in the language of reason, they put the best possible face upon them and have to leave them at the mercy of rational analysis. If they will not stand up in discourse, they should and possibly will be discarded. That men are capable of reasoning and submitting to the best reason is the only real justification of political discourse and debate. This is as true today as it was 2,000 years ago.

The case for liberty does not hinge upon man's actual freedom at any given time. Rousseau was drastically wrong: man is not born free. He is from the moment of conception dependent upon someone else for sustenance, and there is reason to believe that as the infant ages, it becomes more emotionally dependent. We are all subjected to inner passions and outer influences and pressures. No, man is not born free, but perchance he may become progressively free. It is for this end that liberty is important. A man may, by exercising choice and initiative, become relatively independent of others for his livelihood. By so doing, it was once believed and may still be true, he can become practiced in those ways that make for moral and spiritual independence. (But let us not claim too much for man. The religious heritage of Christians proclaims that ultimate freedom as a spiritual condition depends upon the Grace of God. The increasing dependency and pervasiveness of doctrines of social dependency gives weight to this position in our day in which men are not noted for piety.) At any rate, it is only by the exercise of choice that man expresses his freedom.

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It was not the newness nor even their apparently scientific character that gave such impetus to doctrines of determinism and irrationalism. It was rather the context within which they came. Romantics had taught that nature was good. If this be accepted as a universal, then everything that can be shown to subsist in nature should be accepted as good. Thus, if man was irrational by nature, if he was dependent by nature, then these should be accepted and yielded to. This position introduced a confusion into thought from which we have not yet recovered. It is also a vast simplification of man, the universe, and its meaning.

Natural Law

Here is not the place, however, to disentangle all the knotty issues about nature which have been introduced in the last two centuries. Suffice it to say that the belief in natural law and natural rights can be held without believing that nature is good in human terms. A child can fall to its death from a cliff through the operations of the law of gravity. As such, there is no moral issue involved in this: it is neither good nor bad, though it may be almost unbearably sad to those who have lost the child. Morality enters the picture when willed human action does. If someone pushed the child from the cliff, then he was the doer of the evil action, not the law of gravity.

Obedience to natural law is one thing; yielding to natural impulses is another. The first is expedient and wise; the second may be neither. Neither natural law nor natural rights are the cause of our morality. They are conditions within which morality occurs. Once we have committed an act, natural law may extend it to an end which we did not foresee or will. It is in this sense that natural law is thought to reflect the will of God. Here, too, it is that the attempt to go contrary to natural (divine) law is punished and brought to naught. It is within such a framework that natural rights can have meaning and the belief in them defended.

But why use so much space writing of theoretical matters? Why not speak rather of practical matters? After all, liberty is a practical consideration. Faith and beliefs are practical matters also. Try to restore liberty in America without faith and belief and you will have revolution rather than government by law. Try to convince a man who lacks faith in liberty that we should revoke the privileged status of organized labor, remove the acreage allotments and price supports from agriculture, dismiss the boards

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and commissions which hold so much arbitrary power over business activity, and repeal the vast accretions of social legislation. He might agree with you that liberty would be desirable, but he would be appalled by the vision of sweated labor, crop surpluses and declining farm prices, concentrated wealth in the hands of the few, "cutthroat" competition, millions unemployed, hungry, ill-fed, ill-clothed, and with inadequate medical care. Will liberty work? It might, but the risks are too great to try it.

My point is that we can only persuade men to return to liberty when we can persuade them that there is something at issue worth suffering and dying for, that there are ultimate issues involved. Supported by such a faith, men can recapture the faith and regain the experience that liberty will work. But it will work only to the extent that men are devoted to making it work. That worker will be paid low wages who does not exert himself to attract a higher offer. Those men who band together in a union and strike will find themselves without jobs if they cannot convince the employer that he stands to lose more by giving up their experience than he will gain by the lower wages of those he employs. The farmer will find his income diminished with the loss of price supports if he does not turn to the production of scarce crops that will net him a better return.

Times Have Changed

But circumstances have changed since the eighteenth century, the defender of the status quo will say, and the liberty that was appropriate to those times is no longer practical. Circumstances have changed, indeed. I have been at some pains to point them out. We live in a country that becomes increasingly urbanized and industrialized. Independence is much more difficult to achieve and maintain today than it was in 1800. The economy is much more intricately interrelated, and the inhabitants of the land more interdependent. The mass media play upon us with advertising and propaganda. World-wide problems beset us.

But are these arguments against liberty? They might rather be powerful arguments for liberty. Complexities require more knowledge and better understanding for operating within them, not arbitrary protections from them. To protect a man from the consequences of living in his society is to support him in his ignorance and ineffectiveness. When circumstances change, those who are devoted to liberty will think of new

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ways to protect it and defend it, not arguments for reducing it. Radio and television are regulated because the minds of men were bent toward regulation. Libertarians would try to think, instead, of ways of freeing these inventions from control and the privileges that pertain to those who have franchises. The difficulties and problems of our time cry out for free and responsible men to deal with them. Men who are protected will become less effective in their thinking and more feeble in their efforts.

The call for a return to liberty should be cast in positive and hopeful terms, too. Free men are vital and alive. Competition is an invigorating and enlivening thing. Apathy receives its due punishment just as effort is likely to receive its just reward when liberty prevails. Liberty dignifies those who support it because it is a noble cause. Americans should reject the way that leads to a pale imitation of the stultifying socialisms which beset and inactivate European countries. They should embrace the only national purpose that was ever defined for America and work for a rebirth of liberty. ◈

IDEAS ON LIBERTY

The Tyranny of Public Opinion

PROTECTION . . . against the tyranny of the magistrate is not enough; there needs protection also against the tyranny of the prevailing opinion and feeling; against the tendency of society to impose, by other means than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them; to fetter the development, and, if possible, prevent the formation, of any individuality not in harmony with its ways, and compel all characters to fashion themselves upon the model of its own. There is a limit to the legitimate interference of collective opinion with individual independence: and to find that limit, and maintain it against encroachment, is as indispensable to a good condition of human affairs, as protection against political despotism.

JOHN STUART MILL, *On Liberty*

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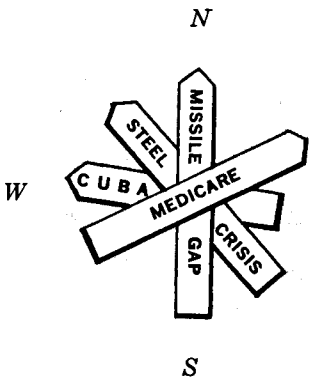

Now--

THE WELFARE MESS

HENRY HAZLITT

WHEN the Senate rejected President Kennedy's Medical Care for the Aged bill by the narrow vote of 52 to 48, he denounced the vote as "a most serious defeat for every American family . . . We have to decide," he continued, "the United States, in 1962, in November, in the Congressional elections, whether we want to stand still or whether we want to support this kind of legislation for the benefit of the people."

Was the defeat of the medicare bill a defeat, or was it really a victory, for most American families? May it not at least be better to "stand still" for a while than to keep going in the wrong direction – further and further away from individual initiative and self-help, and deeper and deeper into the paternalistic welfare state?

How deep we have already got into the welfare state is documented in the July monthly letter of the First National Bank of New York. In a tabular comparison of public social welfare expenditures in the fiscal years 1950 and 1961, the bank's letter shows that old-age, survivors, and disability insurance payments rose from $784 million in 1950 to $12,160 million in 1961, an increase of 1,451 per cent. Unemployment benefits rose to nearly $4 billion, an increase of 67 per cent. Old-age assistance payments rose to nearly $2 billion, an increase of 33 per cent. Aid to dependent children increased 115 per cent, hospital and medical care costs 106 per cent, government spending on medical research 827 per cent, veterans compensation and pensions (at nearly $4 billion) 34 per cent. Altogether, total public welfare expenditures grew from $13.8 billion in 1950 to $37.3 billion in 1961, an increase of 170 per cent.

Limit to Taxes

This tremendous total does not include such welfare-related activities as farm price supports, urban renewal, aid to depressed areas, and so forth.

The money to pay these gigantic welfare benefits did not come out

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of some magical fourth dimension. It came out of taxes – nearly half out of a flat tax on payrolls. If the employer's contribution is considered to be in lieu of higher pay for the worker (as in the long run it must be) the tax on the workers is now at 6¼ per cent. The combined tax is now scheduled to rise to 7¼ per cent next year, to 8¼ per cent in 1966, and to 9¼ per cent in 1968. The President's medicare program, if enacted, would add another ½ of 1 per cent. Yet even Secretary Ribicoff declared last February: "I think we have reached a stage of almost maximum taxation under social security. In my mind, I place that at 10 per cent of payroll."

Mounting Abuses

Rates have to be raised to keep the program solvent. But it is a real question whether presently scheduled rates are high enough to do this. No serious thought is given to the enormous "unfunded liabilities" already assumed by the social security program. Official actuaries have placed these at $350 billion. One former actuary places them at $650 billion.

Yet hardly a week goes by in which a further piling up of liabilities is not recommended. Several Administration proposals would "liberalize" unemployment insurance further.

In the last year or so, reports of abuses and scandals in the welfare programs have been mounting. The bank letter cites a few. From Hollywood, it was reported that a child actor, who turned down a job paying up to $28 a day because he was accustomed to $100-$150 a day, was awarded unemployment benefits. In New York, a ring of six persons was uncovered which allegedly had bilked the public of $41,900 in unemployment compensation by faking unemployment records. A committee of the New Jersey legislature discovered a family with 23 children that was receiving $969 a month in welfare payments (including social security).

It is obvious that handing out generous welfare benefits to idle people while imposing heavy tax burdens on those who work and produce can only discourage ambition and responsibility, work, production, and economic growth. The President's medicare program would give heavy (unearned) benefits to the present aged and load the cost onto the present young.

The whole social security system is in urgent need of re-examination. ◈

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The Guaranteed Life

MAXWELL ANDERSON

Maxwell Anderson (1888-1959), noted American dramatist, first wrote this article as a preface to his Knickerbocker Holiday *in 1938. He revised it somewhat in 1950, when it was published as a pamphlet by the Foundation for Economic Education. It is again presented here because the ideas seem even more timely now than ever before.*

"A GOVERNMENT is a group of men organized to sell protection to the inhabitants of a limited area at monopolistic prices." So said Peter Stuyvesant in *Knickerbocker Holiday,* and so I believe now. In other words, there's no such thing as a "good" government; one and all they partake of the nature of rackets. But government is better than anarchy, and was invented as an insurance against anarchy. And some kinds of government are far better than others. Specifically, our American experiment has worked so well that we can point to it as one of the most successful in the history of the world, if not the most successful.

In *Knickerbocker Holiday* I tried to remind the audience of the attitude toward government which was prevalent in this country at the time of the revolution of 1776 and throughout the early years of the republic. At that time it was generally believed, as I be-

Preface to *Knickerbocker Holiday:* Copyright 1938, by Maxwell Anderson. *The Guaranteed Life:* Copyright 1950, by Maxwell Anderson.

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lieve now, that the gravest and most constant danger to a man's life, liberty, and happiness is the government under which he lives.

Balance of Selfish Interests

It was believed then that a civilization is a balance of selfish interests, and that a government is necessary as an arbiter among these interests, but that the government must never be trusted, must be constantly watched, and must be drastically limited in its scope, because it, too, is a selfish interest and will automatically become a monopoly in crime and devour the civilization over which it presides unless there are definite and positive checks on its activities. The Constitution is a monument to our forefathers' distrust of the state, and the division of powers among the legislative, judicial, and executive branches succeeded so well for more than a century in keeping the sovereign authority in its place that our government has become widely regarded as a naturally wise and benevolent institution, capable of assuming the whole burden of social and economic justice. But there was nothing natural or accidental about it. Our government has done so well because of the wary thinking that went into its making.

The thinking behind our Constitution was dominated by such men as Franklin and Jefferson, men with a high regard for the rights of the individual, combined with a cold and realistic attitude toward the blessings of central authority. Knowing that government is a selfish interest, they treated it as such, and asked of it no more than a selfish interest can give. But the coddled young reformer of our day, looking out on his world, finding merit often unrewarded and chicanery triumphant, throws prudence to the winds and grasps blindly at any weapon which seems to him likely to destroy the purse-proud haves and scatter their belongings among the deserving have-nots. Now he is right in believing that the accumulation of too much wealth and power in a few hands is a danger to his civilization and his liberty. But when the weapon he finds is economic planning, and when the law he enacts sets up bureaus to run the nation's business, he is fighting a lesser evil by accepting a greater and more deadly one, and he should be aware of that fact.

Protection at Monopolistic Prices

A government is always "organized to sell protection to the inhabitants of a limited area at monopolistic prices." The members of a government are not only

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in business, but in a business which is in continual danger of lapsing into pure gangsterism, pure terrorism, and plundering, buttered over at the top by a hypocritical pretense at patriotic unselfishness. The continent of Europe has seen too many such governments lately, and our own government is rapidly assuming economic and social responsibilities which take us in the same direction. Whatever the motives behind a government-dominated economy, it can have but one result, a loss of individual liberty in thought, speech, and action. A guaranteed life is not free. Social security is a step toward the abrogation of the individual and his absorption into that robot which he has invented to serve him – the paternal state.

When I have said this to some of the youthful proponents of guaranteed existence, I have been met with the argument that men must live, and that when the economic machinery breaks down, men must be cared for lest they starve or revolt. This is quite true and nobody is opposed to helping his fellow man. But the greatest enemies of democracy, the most violent reactionaries, are those who have lost faith in the capacity of a free people to manage their own affairs and wish to set up the government as a political and social guardian, running their business and making their decisions for them. This is statism, or Stalinism, no matter who advocates it, and it's plain treason to freedom.

Wards of the State

And life is infinitely less important than freedom. A free man has a value to himself and perhaps to his time; a ward of the state is useless to himself – useful only as so many foot-pounds of energy serving those who manage to set themselves above him. A people which has lost its freedom might better be dead, for it has no importance in the scheme of things except as an evil power behind a dictator. In our hearts we all despise the man who wishes the state to take care of him, who would not rather live meagerly as he pleases than suffer a fat and regimented existence. Those who are not willing to sacrifice their lives for their liberty have never been worth saving. Throughout remembered time every self-respecting man has been willing to defend his liberty with his life. If our country goes totalitarian out of a soft-headed humanitarian impulse to make life easy for the many, we shall get what we vote for and what we deserve, for the choice is still before us, but we shall have betrayed the race of men, and

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among them the very have-nots whom we subsidize. Our Western continent still has the opportunity to resist the government-led rush of barbarism which is taking Europe back toward Attila, but we can only do it by running our government, and by refusing to let it run us.

If the millions of workingmen in this country who are patiently paying their social security dues could glimpse the bureaucratic absolutism which that act presages for themselves and their children, they would repudiate the whole monstrous and dishonest business overnight. When a government takes over a people's economic life, it becomes absolute, and when it has become absolute, it destroys the arts, the minds, the liberties, and the meaning of the people it governs. It is not an accident that Germany, the first paternalistic state of modern Europe, was seized by an uncontrollable dictator who brought on the second world war; not an accident that Russia, adopting a centrally administered economy for humanitarian reasons, has arrived at a tyranny bloodier and more absolute than that of the Czars. And if England does not turn back soon, she will go this same way. Men who are fed by their government will soon be driven down to the status of slaves or cattle.

Professional Planners

All these dangers were foreseen by the political leaders who put our Constitution together after the revolution against England. The Constitution is so built that while we adhere to it, we cannot be governed by one man or one faction, and when we have made mistakes, we reserve the right to change our minds. The division of powers and the rotation of offices was designed to protect us against dictatorship and arbitrary authority. The fact that there are three branches of government makes for a salutary delay and a blessed inefficiency, the elective rotation makes for a government not by cynical professionals, but by normally honest and fairly incompetent amateurs. That was exactly what the wary old Founding Fathers wanted, and if we are wise we shall keep it, for no scheme in the history of the world has succeeded so well in maintaining the delicate balance between personal liberty and the minimum of authority which is necessary for the free growth of ideas in a tolerant society. But we shall not keep our Constitution, our freedom, nor our free elections, if we let our government slide gradually into the hands of economic planners who bribe one class of men after another with a state-administered dole.

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Since *Knickerbocker Holiday* was written, the power of government in the United States has grown like a fungus in wet weather, price supports and unemployment benefits and farm subsidies are the rule, not the exception, and our government has turned into a giant give-away program, offering far more for votes than was ever paid by the most dishonest ward-heeler in the days of Mark Hanna. We march steadily toward the prefabricated state. Yet we see clearly that in England, socialism turns rapidly into communism, and that in Russia and Yugoslavia, communism gives neither freedom nor security. The guaranteed life turns out to be not only not free – it's not safe. Do we want a gangster government? That's what we're going toward. ◈

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IDEAS ON LIBERTY

The Great Learning

THE ANCIENTS who wished to illustrate illustrious virtue throughout the empire, first ordered well their own States. Wishing to order well their States, they first regulated their families. Wishing to regulate their families, they first cultivated their persons. Wishing to cultivate their persons, they first rectified their hearts. Wishing to rectify their hearts, they first sought to be sincere in their thoughts. Wishing to be sincere in their thoughts, they first extended to the utmost their knowledge. Such extension of knowledge lay in the investigation of things.

Things being investigated, knowledge became complete. Their knowledge being complete, their thoughts were sincere. Their thoughts being sincere, their hearts were then rectified. Their hearts being rectified, their persons were cultivated. Their persons being cultivated, their families were regulated. Their families being regulated, their States were rightly governed. Their States being rightly governed, the whole empire was made tranquil and happy.

CONFUCIUS (556-479 B.C.)

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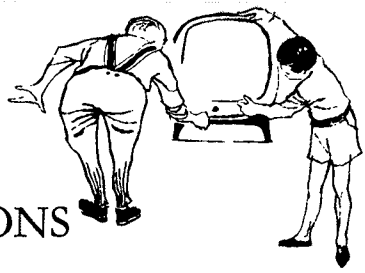

FREEDOM FROM UNIONS

or — THE EXORBITANT PRICE OF UNION GAINS

The streets were full of idle men
And frost was in the air.
Old Kaspar stacked the supper plates
And settled in his chair,
While Peterkin and Wilhelmine
Look at the futurama screen.

They watched some workers park their cars
And never hesitate
To cross the union picket line
Outside the factory gate;
While union bosses standing there
Were wringing hands and tearing hair.

"Why aren't those workers beaten up?"
The little children cried.
"They've lost the look and smell of fear,"
Old Kaspar soon replied.
"No longer do they live in dread
Of loss of job or broken head."

"There was a time," said Kaspar then,
"When many workers' pay
And right to work at chosen jobs
Were under union sway;
And few were those who dared refuse
To pay the soaring union dues."

"Did no one ever try to free
The men the unions caught?"
"It was a time," Old Kaspar sighed,
"When other folks were taught
To hold the union picket lines
As sacred as religious shrines."

"What happened, then," asked Peterkin,
"To set the workers free?"
"They simply took their freedom, Pete,
Because they came to see
How paltry was their share of gains
Against the weight of union chains."

H. P. B. JENKINS
Economist, Fayetteville, Arkansas

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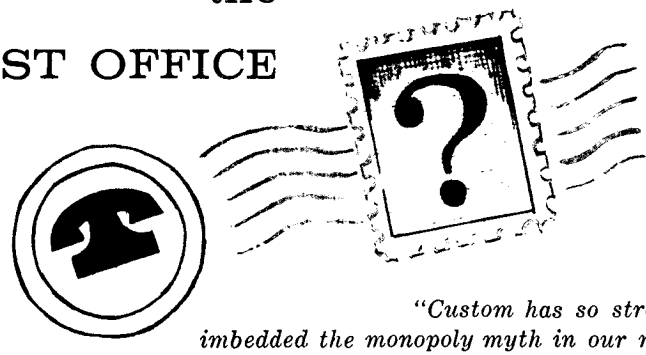
COULD A. T. & T. RUN the POST OFFICE



"Custom has so strongly imbedded the monopoly myth in our minds that the mere suggestion of a private postal system seems incongruous."

FRANK CHODOROV[1]

MELVIN D. BARGER

IT IS PROBABLY one of the miracles of the past half-century that the giant American Telephone and Telegraph Company has escaped direct government ownership.

It is miraculous because such a tidal wave of printed and spoken propaganda has been produced in criticism of the mighty telecommunications firm, while oncoming generations of future leaders have been carefully taught by their economics and political science instructors to be fundamentally suspicious of A. T. & T. and other privately-owned utility monopolies.

Also, many people have been conditioned to oppose and fear "bigness" in privately-owned enterprise, and of course, A.T. & T. is indeed "bigness." Also, there is substantial support throughout

Mr. Barger is a public relations representative in Jackson, Michigan.

[1] Frank Chodorov, *The Myth of the Post Office*, Henry Regnery Company, Hinsdale, Illinois, 1948.

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the country for the view that "natural" monopolies ought to be publicly owned.

Finally, almost every advanced nation in the Western world has a government-owned and operated telecommunications system, with the exception of large systems in Italy, Spain, Denmark, and Finland.[2] At least four countries – Great Britain, France, Holland, and West Germany – have combined postal and telephone services, with whatever advantages this is supposed to produce.

Yet 1962 finds A. T. & T. safely in private hands, though tightly regulated by the F.C.C. and numerous state commissions.

But an even greater miracle is that few people of influence have ever argued for *private* ownership and operation of the U.S. Post Office. Perhaps many people assume that a private postal system is impossible. Others may believe it is impractical. And some may even think it is *unpatriotic*. Yet there have been many times when persistent men have argued with success against ideas which were generally assumed to be impossible, impractical, or unpatriotic. Why have so few done so in the case of the Post Office? Since it is intellectually respectable to argue for a government takeover of telecommunications services, why hasn't it been just as respectable to argue for an opposite viewpoint – say, for example, a *private* takeover of certain faltering government businesses?

The Postal Crisis

Such a faltering business is the U. S. Post Office Department, which drifts from one crisis to another without apparently finding the roots of its problems. There has been mounting criticism of its operations in recent years. "The American public and American business have been paying higher and higher prices for worse and worse postal service," said the trade magazine *Advertising Age* in May 1960, in a critical editorial opposing further rate increases. *Reader's Digest* published an article in May 1957 entitled "Our Horse and Buggy Mails," with another the following year significantly called "How To End Our Post Office Mess Permanently."[3] And *Newsweek*, in a special national report in the July 13, 1959 issue, observed that the U.S. mail is slow because of "antediluvian methods and equipment, human error, a system plagued by bu-

[2] From *The World's Telephones*, 1961, American Telephone and Telegraph Company, 195 Broadway, New York. It should be noted that the Italian telephone system is government-owned but privately-operated, while the Finnish and Danish systems are mixed.

[3] *The Reader's Digest*, February 1958.

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reaucracy and petty politics." It was further noted in the same article that the service was so bad that one in four letters was being delayed, sometimes for days, en route or at a delivery point. Worse yet, it was stated that the Post Office's problems were getting worse, and seemed to be outrunning its solutions.

A. T. & T.'s Continuing Success

In sharp contrast with the Post Office's dimming image is the Bell System, whose corporate parent is The American Telephone and Telegraph Company. It has been attacked as an overpowerful monopoly, threatened with punitive legislation, subjected to rigid controls, and regularly scrutinized by state and federal agencies. But for all the stumbling blocks strewn in its path, A.T. & T. has consistently provided the finest telephone service in the world, a fact that even its statist-minded critics freely concede.[4] Ironically, though a profit-making corporation, its service record has greatly surpassed that of the Post Office, which has often excused its deficits on the grounds that its purpose is public service rather than profits.

The Bell System had a humble origin shortly after the first patents were issued to Alexander Graham Bell in 1876 and 1877, and has since become the colossus of American public utilities. A. T. & T. has assets of $21.7 billion, employs 750 thousand persons, and has 63 million telephone installations.[5] Although the country is peppered with small independent telephone companies and subsidiaries of the substantial General Telephone and Electronics Corporation, A. T. & T. commands the industry with all but 16 per cent of domestic telephone installations. And by possessing a complex nationwide network of interconnecting telephone lines, A.T. & T. has a part in all but a very small percentage of all long distance calls.

A Management Genius

The pattern for success was established early in the Bell System's history by Theodore N. Vail, one of the company's early found-

[4] Horace Coon, whose *American Tel & Tel* was itself a book highly critical of A. T. & T. on many counts, wrote: "It is generally conceded, even by its critics, that (A. T. & T.) has given the United States the best telephone system in the world, in nearly every respect superior to any of the government-owned systems in Europe." Horace Coon, *American Tel & Tel.* New York: Longmans, Green and Co., 1939. (It should be noted that Coon's observation preceded A. T. & T.'s tremendous growth and improvement of services in the post-World War II period.)

[5] 1961 *Annual Report*, A.T. & T. All A.T. & T. statistics, unless otherwise noted, are from this report.

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ers who headed the corporation in its infancy, dropped out for a time, and returned in 1907 to push A.T. & T. toward its present level of greatness. Vail had been a railway mail supervisor before stepping into the fledgling telephone business, and was apparently the first man to have thought of having railway mail clerks sort the mail on trains so that it could be distributed to the post offices with a minimum of handling. A management genius who probably could have succeeded in almost any business, Vail had a special dedication to A. T. & T., and was probably chiefly responsible for the fact that the company never passed into government hands even though telecommunications systems the world over were being nationalized.

Vail recognized as early as 1909 that pressures for government ownership were soon to arise. In 1912 telecommunications systems in Great Britain were nationalized, a move which aroused sentiment for a similar action in the U.S. But, Vail believed that A. T. & T. could survive and prosper even under government regulation, and could resist a government takeover if he could build a system far better than any of the nationalized systems in other countries. This, plus a rather inept performance on the government's part when it controlled the company briefly during the closing days of World War I, finally killed, for the time being, most of the political impetus for government ownership.[6]

Four decades after Vail, the case was never better for his belief that he could build a service vastly superior to the world's nationalized systems. A.T. & T. today has a great depth of talented management, sound organizational procedures, almost unmatched technical personnel, and comfortable reservoirs of financial strength. While we take most of its services for granted, a little thought about the Bell System would reveal that not only has it "kept up" with the progress of the economic environment in which it operates, but it has also spearheaded much of that progress. A large amount of today's business and government affairs is handled smoothly and quickly because the Bell System had the technical ability to create faster long distance services and such improvements as direct distance dialing, wide area telephone services, teletype equipment, and CENTREX systems (permitting dialing to and from extension phones in large organizations). It would be almost intolerable to imagine the state of our present

[6] Horace Coon, *op. cit.*

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economy and government if the art of telecommunications were to be set back ten, twenty, or thirty years.

The Constitutional Monopoly
A Politics-Oriented Organization

Meanwhile, the Post Office had been in business almost a hundred years before the Bell System was born. It certainly had an auspicious beginning, for Article I, Section 8 of the U.S. Constitution documented the government's right to own and operate a Post Office: *The Congress shall have power to establish post-offices and post-roads.* In 1790, the first full year after the Constitution was ratified, the Post Office had revenues of $37,935, against expenditures of $32,140. This was obviously a profit, and for good reason: it is doubtful that the frugal citizens of those lean years would have tolerated serious postal deficits under any pretext. For many years after that there were private mail carriers competing very successfully with the government, but by the middle of the last century most of them had been firmly legislated out of business. In those years postal operating losses were at a minimum, and it wasn't until after the Civil War that the annual postal deficit became a recurrent pestilence.

Today the Post Office is the government's largest business, with 580,000 employees, 35,000 post offices, and annual revenues of $3.4 billion. Its visible deficit in 1961 was more than $800 million, and since 1946 its cumulative deficits have been almost $8.5 billion. It does not pay income taxes, of course, so a realistic analysis of Post Office operations should actually *add* to the present deficit an estimated amount that the Department would have paid into the federal treasury *if* it were a private corporation and earned average profits. The loss to the government units in taxes may actually be the Post Office Department's largest "deficit," for as we shall see later, American Telephone and Telegraph Company has paid far more to federal, state, and local tax collectors than the total of its net earnings.

Since even a casual examination yields evidence that our telecommunications industry towers head and shoulders above our postal service, the next problem is to discover *why*. And while many reasons are often given to explain why the Post Office is the way it is, few go further than to plead for changes in rates, use of auto-

[7] *Annual Report of the Postmaster General*, U. S. Post Office Department, Washington, D. C., 1961. Unless otherwise noted, all subsequent statistics concerning Post Office operations are from this report.

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mated equipment, higher wages, greater employee efficiency, and similar so-called solutions. Yet what has prevented the Post Office from improving its operations regularly and without fanfare, as might any other business? Does it take an act of Congress to bring these things about?

Yes, it does. And this is the core of the Post Office problem: *The Post Office is a politics-oriented institution, and has been ever since the day our Constitution first breathed it into life.* As a politicalized enterprise, it will forever do an adequate or superior job of satisfying its political masters in Congress and the White House, but under these circumstances it hasn't the slightest chance of turning in an operating performance that would be considered superior by business standards. The Department is far more sensitive to the most dominant political winds than it is to the need for "breaking even" or giving users "better service." This is, in fact, its central malignancy. "When the politics motive supersedes the profit motive," wrote Frank Chodorov, "the direction and intensity of effort is completely altered. The officeholder's bread is not buttered by a customer but by a higher-up, and hence his natural inclination is to cater to the latter, not the former."[8] And the *Newsweek* article previously cited took note that though the Post Office Department needs technological improvement almost desperately, "there is little incentive to replace postal clerks, who can vote, with machines, which can't vote."

Political Pressures Call the Tune

At no time does this political sensitivity of the Department become more obvious than when a proposed postal rate increase comes before Congress. Tremendous pressures are imposed on Congress by those who have an interest in preventing the increases on the classes of mail they use. This year the second and third-class users have bitterly denounced the fact that proposed increases for first-class mail are proportionately less than on the others. Yet as one looks at the bewildering rates system used by the Post Office Department, it is clear that political considerations made it expedient to give second-class users (i.e., paid circulation periodicals) extremely low rates and third-class mailers (usually business organizations) special advantages.[9]

[8] Chodorov, *op. cit.*

[9] To use only two examples. It is safe to say that the rates and handling of all mail and every type of delivery (such as R.F.D.) have been influenced by political forces.

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If one doubts that political considerations shape the running of the Post Office, he should check some of the national magazines earlier this year and read the editorials and articles which they ran in their own interest in bitter opposition to the proposed increases on second-class matter. For example, in an article entitled "Second-Class Mail Rates Can Ruin First-Class Magazines," in *The Reader's Digest* of this past April, the magazine summed up its case against higher rates for newspapers and magazines by urging readers to make their views (that is, *The Reader's Digest's* views) known to their congressmen.

While again scoring the Department for its inefficiencies and obsolete methods, as it had done some years before, the *Digest* failed to explain how the Post Office got that way. It was said that the Department performs many functions which are unrelated to the carrying of mail and for which no payment is made. But isn't it obvious that these functions must have at one time or another been assigned to the Department by either the legislative or executive branches of the government, and that, therefore, the very Congress to whom we are supposed to appeal for a solution to the "postal mess" is, in fact, a partial cause of it? We expect the Post Office to be efficient and modern and flexible; yet we have imposed on it a 535-man "board of directors" that has, itself, often used its free postal privileges shamelessly.

There's nothing wrong with the Post Office that couldn't be corrected quickly if we really did have the courage and good sense to put it on a "businesslike basis." This would actually mean cutting it loose from all political control whatever, and releasing it from government ownership, for the distressing truth is that the government cannot resist meddling with that which it owns. In the case of the Post Office, this political meddling has led the Department in directions which no private business could travel and remain solvent.

A Profits-Oriented Organization

Again in sharp contrast is A. T. & T., which has been able to manage its affairs so that special interest groups of customers aren't at war with the company and each other. A. T. & T.'s chief advantage, among many others, is that it has the good fortune to be a profits-oriented organization.

It is still primarily a business organization and must earn profits to survive at all. Its excellent earnings record also accounts for

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A. T. & T.'s continuing growth and vigor.

In the years 1946-1961, A. T. & T. earned profits of $9¾ billion. Out of this amount it paid dividends of $6.6 billion, leaving $3.2 billion retained in the business. This was part of the company's investment in its future. Without these profits, there would have been little or no growth, for additional capital for expansion simply wouldn't have gravitated toward a losing business.

Incidentally, the Bell System's revenues have also contributed mightily toward the support of government, for in the same period it has paid out more than $15 billion in local, state, and federal taxes.[10]

The A. T. & T. vs. the U.S. Post Office

It can be argued that it is unfair to attempt comparison of A. T. & T. and the Post Office, since the methods of communication differ radically. A. T. & T. deals primarily with circuitry, which when installed can handle verbal messages instantaneously. Not so the Post Office, which must transport solid objects over great distances and is necessarily limited by the reasonable speed at which man and machine can travel. It is unfair, for example, to say that because the Bell System can connect a New York caller with a San Francisco number in two minutes, or less, the Post Office should deliver a letter with similar speed. Moreover, the Bell System with its automatic dialing systems and other creations is rapidly eliminating the possibility of human error, while postal clerks are still forced to waste long minutes studying, for example, Jackson, Mich., and finally determining that this is a communication addressed to Jackson, Michigan, and not Jackson, Mississippi. Obviously, A. T. & T. and the Post Office have completely different operating problems.

Still, it *is* fair to say that of two dissimilar communications systems, one is partially failing us while the other seems destined for greater achievements. It is fair to wonder how the delivery of written communications would have been handled if our national traditions hadn't imposed on us an ironclad government postal monopoly. Would the Postal Service now be faced with mounting deficits? Would there have been a long period of time when the service actually made no investment for new buildings, as union

[10] A.T. & T. yearly financial figures obtained from Moody's Public Utility Manual, 1961, and Moody's Public Utilities, February 20, 1962, published by Moody's Investor Service, New York. Totals were computed by author.

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official William Doherty has charged, due to the unwillingness of Congress to appropriate money for this purpose?[11] Would a letter carrier now earn a starting salary of $4,345 a year, with a 25-year maximum of $5,605, or would wages and salaries be much higher?[12] Would the service be using such antiquated methods that as late as 1953, incoming Postmaster General Arthur E. Summerfield could make the shocking discovery that postal clerks in Denver had to sort mail out on the street because of cramped building space?[13] Would deliveries be faster or slower? Would automated methods of handling mail have been put into widespread use? Would it be possible to get letters delivered the same day of mailing in metropolitan areas? One final remark: It is said that thousands of special delivery letters are actually delivered by regular carrier, since no special delivery service exists at certain times in many communities. Yet the person mailing the letter has no practical way of knowing this, and thus wastes his extra 30¢ postage.[14] If a private postal enterprise existed and engaged in this dubious form of customer-deception, would government regulatory agencies not order a full-scale investigation?

A Marked Contrast

It *is*, then, fair to say that A. T. & T. gives excellent service in its field, while the Post Office is giving mediocre service that is obviously incompatible with our present state of economic development. It *is* fair to say that A. T. & T. operates efficiently, with a persistent attempt to cut costs and improve its own organization, while the Post Office operates with only a fair degree of efficiency, often because Congress does not appropriate capital funds. It is also fair to say that A. T. & T., despite its monopoly status, runs its affairs as competitively as any other U.S. enterprise, going to

[11] "In the twenty-year period between 1938 and 1958 Congress failed to appropriate as much as a single dime for the construction of new postal facilities." William C. Doherty, *Mailman, U.S.A.*, David McKay Company, Inc., New York, 1960. Mr. Doherty, who is president of the National Association of Letter Carriers (AFL/CIO), credits Summerfield's plan of leasing postal facilities built by private capital with having saved the system from absolute chaos. (Elsewhere in his book he is less complimentary toward the embattled postmaster general of the Eisenhower administration.)

[12] Salary information obtained from National Association of Letter Carriers, AFL/CIO, Bulletin No. 1, January 2, 1962.

[13] Arthur E. Summerfield, *U.S. Mail*, Holt, Rinehart and Winston, New York, 1960.

[14] Floyd Clymer, *The Post Office Dilemma*, Floyd Clymer, Los Angeles, 1960, page 166.

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great lengths to promote new telephone services, courteous treatment of customers, and installation of additional telephones in businesses and residences. But postal units do not seem to be competing with anybody, and hardly appear to recognize that it would be possible to increase the department's revenues by hard-hitting promotional campaigns and programs designed to give customers better service. It is also fair to ask if it is *even a moral thing* for the federal government to maintain such an enterprise as the Post Office, or any business, using the power of the state to force citizens to subsidize a service which is of much greater benefit to some users than it is to others. All other businesses, monopolistic or otherwise, must rely on the customer's voluntary patronage in order to survive. But in the case of the Post Office, the money which makes up its deficits is taken from us against our will, while federal police power prevents other competitors from entering the field and giving us alternate forms of letter delivery.

Could A. T. & T. run the Post Office? Certainly it could, although it's not certain that there is any great advantage in combining the telecommunications and letter-carrying systems, despite the example of Great Britain and others. However, it is clear that somebody, if not A. T. & T., could run it much better than the U. S. Congress and President can, or are allowed to by the political nature of things. At some point in future government deliberations over postal policies, a hardy soul ought to inquire into the reasons why the United States has the world's best telephones and the Western world's slowest mailbags.[15] The answers might cause some government official to say, in a somewhat facetious manner, "Hey, maybe we ought to turn the Post Office over to A. T. & T. and see what they could do!"

After the chuckles had subsided, a few thoughtful persons in attendance might conclude that this wasn't a bad idea after all. ◈

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[15] At least in the metropolitan areas, according to *The New York Times*, November 27, 1955, *U. S. News & World Report*, February 7, 1958, and *Newsweek, op. cit.* Some foreign cities (London, Paris, Berlin) have same-day delivery.

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An Average Citizen:

SEX: MALE

JESS RALEY

ACCORDING to the latest tabulation, I am not quite the average U. S. citizen (sex male).

To begin with, I'm several months too old, and my contribution to the total population is well above average. My income is above and so are my obligations. The car is too new, but the house is too old. (Thank goodness, they don't build them like that any more.) Just how far from average those things would place a man is anybody's guess.

Even though I am not quite average myself, I know this mythical man well. He is not a bad fellow, really; just unrealistic and inconsistent at times. In baseball terminology Mr. Average Citizen has a lot on the ball himself, but is a sucker for a low, outside pitch. This is the man whose vote may determine the fate of the nation. I think it might be possible to acquaint him with the facts of life; but to get an idea of the workmanship required, let us take a good long look at the material.

Excessive taxes, lack of progress, and general injustice are the primary subjects discussed.

First of all, Mr. Average Citizen dislikes taxes: federal taxes, state taxes, county taxes, and city taxes, including all fees and licenses. Of the many federal taxes, the income tax is his favorite target. It should be lowered drastically or, better yet, abolished entirely. How did they manage to sneak that amendment through, anyway? Second, this is by no means his only complaint with the federal government. He thinks it should protect citizens better with a larger and better equipped army, navy, and air force. All elements

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of national defense should be stepped up along with scientific research. There should be bigger and better satellites and a space platform. No expense should be spared to insure our arrival on the moon and points "moonward," well ahead of the competition.

State Taxes

State taxes are excessive, oppressive, and unreasonable. The state has a sales tax, income tax, tobacco tax, and gas tax, just to name a few of the more irritating. Honestly, at the rate his state collects taxes, he wouldn't be surprised at any time to hear that the Treasury vaults had burst and disgorged century notes all over the Capitol lawn.

Mr. Average Citizen has another, even larger, bone to pick with the state. It's a crying shame that the people can't have more and better schools, hospitals, roads, docks, state parks, and game and fish conservation. Teachers are underpaid, highways are inadequately patrolled, and prisons are obsolete. State old-age and disability pensions to the so-called hardship cases are too difficult to obtain and shamefully small. Needed are more spacious and better equipped mental institutions with more resident doctors and psychiatrists. The need for complete reorganization and up-dating of state orphanages is very real. The state should increase the size and personnel of industrial schools at least threefold to obtain the best results. Successful rehabilitation of juvenile delinquents should be stepped up.

County Collections

The county doesn't collect an income tax, but manages to do quite well for itself with assorted property and privilege levies. Why the county should need an ever-increasing amount of money is well beyond the understanding of a mere citizen. He is quite insistent, however, in his demands that the county build a new courthouse, raise county employees' salaries, and double the remuneration for jury duty. If he must pay taxes, the collector's staff should be increased substantially—standing in line adds injury to insult. The sheriff's office is inadequately staffed and equipped. The personnel here should be increased, transportation modernized, and this office should avail itself of all the latest data concerning crime detection and prevention. Many roads and bridges within the county's jurisdiction are obsolete. They should be repaired or rebuilt at once—especially those which Mr. Average Citizen has occasion to drive on.

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The whole county school system is a mess – worse than that – it's a disgrace. Classrooms are obsolete and crowded. Lighting, heating, and ventilation are well below par, and the school libraries are far from complete. Mr. Average Citizen contends that the county should launch a school building program at once. Old buildings should be completely demolished and larger modern plants erected in their stead.

City Costs

Last, but by no means least, there are municipal taxes. The city seems to have clamped a few mills or a few cents (several dollars in some cases) on all the items embraced by the other three and added quite a few of its very own. Mr. Average Citizen is passionately opposed and pledged to fight for the repeal of the whole works, right down to the last mill.

As a public-spirited citizen, he will fight; if necessary, lead the fight for more and better equipped playgrounds, pools, and recreation centers. There must be more and better equipped fire stations, a new city hall, and several branch libraries. Many streets need resurfacing, storm sewers are inadequate, and there aren't enough traffic cops during "rush hours." He is ready to head a committee for a new, modern hospital and support the movement for renovation of the municipal auditorium. Existing facilities must be enlarged and at least three new elementary schools, two new high schools, and one new college must be built each year if children are to be properly educated.

Average Citizen Too Busy To Be Concerned

The actual procurement and maintenance of all these improvements is of little concern to Mr. Average Citizen. The-powers-that-be asked for their jobs, let them work out the details. As for himself, supporting four governments requires so much of his meager income, the proverbial wolf is forever gnawing at the portals of his dilapidated domicile. It has probably occurred to him quite often to shoot the varmint and sell its hide to relieve his financial distress. But alas, he can't afford to avail himself of this pleasure. To do so would require a hunting license, trapping license, fur shipper's license, and state shipping tags, state and county privilege license, and a city permit.

Thirdly, Mr. Average Citizen is wholeheartedly opposed to anything tainted with injustice, no matter how remotely. Graft, "pull," "ins," "outs," corruption – everything with a semblance of unfairness or dishonesty is noisome to

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him. Kickbacks, ticket-fixing, and backscratching is a disgrace and should be stamped out. A social system wherein justice is truly blind and no man enjoys an advantage over his neighbor – that is what he is working for. Meantime – if the-powers-that-be insist on favoring a few chosen ones; if it is absolutely impossible to prohibit someone gaining an advantage; if "ins" with the top brass just can't be eliminated, then he will battle skillfully with every weapon at his command to make certain that the person obtaining such an advantage is ye olde tax-hating, justice-loving, crusader for progress – Mr. Average Citizen. ◈

LET'S WRECK THE GRAVY TRAIN

EDWARD P. COLESON

A Proposal to Stop Piling Burdens on an Already Overloaded Conveyance.

LET'S WRECK the "gravy train" before it ruins our country. Independent, self-reliant men and women, who were willing to stand on their own feet, do a day's work, and look after themselves, made America the great nation it is, has been, and can remain. But a multitude of Americans will have to rise with "firmness in the right" if this nation is going to survive.

The facts are almost overwhelming. Starting from depression days the list of federal dependents has been growing continually. Five years ago Senator Byrd said that 37 million people were then

Dr. Coleson is Professor of Economics at Spring Arbor College in Michigan. This is a slight condensation from an article which appeared in the August 1962 issue of *The Flying A* magazine of the Aeroquip Corporation.

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receiving federal payments. To these would have to be added an unknown number of relatives plus a good many others who were benefiting indirectly from government handouts. The Senator warned us "... the spread of government paternalism is frightening."

Clamoring to Get on Board

But Americans are a complacent people and don't frighten easily—certainly not as long as the stream of checks from Washington continues. Indeed, many more have boarded the "gravy train" in the last five years and there is an ever-increasing queue of would-be passengers jostling one another for the best position in the waiting line. Apparently almost the entire population is clamoring to get on board.

The resulting situation is ridiculous and would be funny if the future of our country were not at stake. Seemingly no one is immune. The educators of the nation who ought to know better are pleading for their share of the federal bounty as a right and a good many others can think of equally convincing reasons why they should be included. Certainly the rest of us could just as logically demand "reservations" as those already "on board," but the practical fact is that the conveyance is already seriously overloaded.

The resulting spectacle reminds the writer of a little narrow gauge train he once boarded out in the bush in Africa. The coaches were crammed with natives, bundles, chickens, and pigs in the wildest disarray until no one else could even hang on. The only trouble was that when the train reached a hill, it couldn't make the grade and the passengers had to pile out and push. But our fellow Americans don't want to be inconvenienced: they expect a streamlined, air-conditioned ride all the way through—no pushing for them except crowding to get more benefits. And in this space age they see no reason why it shouldn't be possible.

Nonproductive Government

The simple truth is that government is not productive: we, the people, must support ourselves plus Uncle Sam and all his poor relatives. But, as many of us have noticed, often Uncle's hangers-on seem more prosperous than the rest of us, and parasitism no longer carries even a stigma: it has become a way of life. The net result is that the decreasing number of producers find it harder and harder to maintain themselves and all the free loaders, until they too are tempted

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to give up the struggle and run to Washington with a tin cup like everyone else. Increasingly people are saying that we must have federal help; we simply can't make it on our own slender resources. But as more people are subsidized the burden becomes even more impossible for the few independent Americans who are still trying to go it alone. Nor does government assistance offer more than the illusion of relief: we pay it all plus the cost of bureaucratic inefficiency. Thomas Jefferson described our present-day situation with prophetic eloquence:

> If we run into such debts, as that we must be taxed in our meat and in our drink, in our necessaries and our comforts, in our labors and our amusements . . . as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses; and the sixteenth being insufficient to afford us bread, we must . . . be glad to obtain subsistence by hiring ourselves (to the government) to rivet their chains on the necks of our fellow-sufferers.

A large fraction of every budget simply goes to placate the pressure groups – buy our votes with our own money.

Most of our fellow countrymen know this and have known it all along. Their justification usually is that we might as well get our share while it's going around. Indeed, in the tomorrows when the historian takes pen in hand to describe the *Decline and Fall of the United States*, (should present trends continue) he will have to record the fact that the fault lay mainly with good, well-meaning people. The demagogues could never have gotten their way had not a multitude of respectable people gone along because it was easy, profitable, and the thing being done—"fellow travelers" on the road to ruin. Let's each start a one-man campaign to close out the federal give-away program by pledging ourselves to stand on our own feet and encouraging our friends to do the same. ◈

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Freedom to Decide

JOHN C. SPARKS

Independent decision-making enables man to evolve toward his destiny, but this is possible only after he unshackles himself from other men who would obstruct his right to decide....

IN ONE of our best-known patriotic songs, we sing of our "sweet land of liberty." The implication is evident; it is good to live where liberty is present. But, how do we define liberty or know if we have it?

There is good reason to ask this question. As words, *liberty* and *freedom* are in common use, especially by politicians of nearly every political persuasion. Each faction promises freedom through its program, and forecasts the loss of freedom if the opposition wins. Though used to describe opposing programs, the words always are intended to connote something highly desirable. Are these words only something to be lightly bandied about in the political arena? Or is there a deep and genuine meaning of liberty and freedom that is desirable and important to mankind?

Philosophical reasoning as to the desirability of things usually harks back to man's purpose on earth. Though we humans may never fathom Ultimate Purpose, the best clues afforded by Judeo-Christian and other religious philosophers suggest that each man's purpose is to achieve the highest degree of his own potential. Within this framework, mankind's favorable evolvement occurs only as each individual progresses toward his capacity. Evolution is the accumulated and combined changes in all individuals.

Each man can achieve only to the degree that he successfully overcomes those obstacles lying within and outside himself. To

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overcome internal obstacles is an important task requiring great concentration, for human weaknesses invite wastage of time and misdirection of effort. While difficult to conquer, these inner obstacles are nevertheless surmountable by the individual without anyone else's consent. Our primary concern in this discussion, however, are those outside obstacles that deny freedom to individual persons in their attempts to attain their goals. These external obstructions are numerous and can block an individual's opportunity to shape his own purpose.

External obstacles are of two kinds. In one the choice to reject or nullify the obstruction lies entirely within the person being obstructed; in the other the obstruction arises out of the coercive activities of some men toward others in society, and the choice to reject or nullify the obstruction does *not* lie within the person being obstructed.

Obstacles One May Avoid

Examples of those external obstacles falling in the first classification are the domination of an adult child by a parent, the domination of a married person by his or her spouse, the domination of an employee by the employer, or the domination of its members by a religious institution. The listing could go on and on.

One purpose of parenthood should be to provide knowledge out of personal experience and rules of good judgment so that a child, as he grows toward adulthood, may become more and more capable in making decisions for himself. A parent should gradually introduce his child to the art of making decisions. When adulthood is reached, the new adult may expect a parent to be available for consultation; but decision-making should rest with the new adult. It is better to rob a person of all his possessions than to rob him of his right to make decisions. One's own maturity depends upon knowing how important it is to refrain from violating another's right to decide for himself. Surely, the same principle applies to married couples, especially when one partner attempts to degrade the other to a second-class obeyer of instructions.

Another aspect of child development merits mention. Many sports provide valuable training aside from the skill peculiar to that sport. Baseball instruction not only teaches how to throw, field, and bat, but also affords the opportunity to train young minds to make a myriad of quick, individual decisions. The batter must determine within a split second

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whether to swing at a pitch or not. Coaches constantly try to alert defensive players to think ahead about the choice of play to be made if the ball is hit to one of them. This choice depends on whether the ball is hit sharply or is a slow roller, how many are "out," the number and position and speed of base runners, and many other factors, all of which must come into consideration within a matter of seconds.

Adults working with boys' baseball teams would do a disservice to the young players if the game were stopped at the end of every play to instruct each fielder concerning the choice that should be made on the next play. Dismal results could be predicted in that case, not only in the scarcity of victories, but more vitally in the lack of decision-making development.

In the area of employer-employee relationship, occasionally an owner or manager of a business attempts to make all decisions, not just those pertaining to over-all company policy and direction. The employees consequently are denied the responsibility of decision-making in their own assigned areas of activity. The ill effects on all persons involved in such a situation can readily be seen. The employee is denied the opportunity to develop his creative abilities. The employer or manager finds his job overdemanding on his time and energies, with results unsatisfactory even to himself. The company fares poorly, like an eight-cylinder automobile running on one cylinder. Such a vehicle is greatly handicapped in a race with other vehicles (competitors) moving along on full power. Obstruction of this kind may be as detrimental to progress as any obstacle raised by uncooperative labor groups. The problem also occurs within departments of many companies where the superior dominates his subordinates.[1]

Some of the most difficult external obstacles originate within religious organizations formed to point the direction toward right spiritual and moral citizenship. Among their leaders are those zealous to determine, in one manner or another, choices normally falling to individual members. Such action presumes the members are either too immature, too unintelligent, or too susceptible to temptation to arrive at proper decisions themselves. If so, how are they to gain maturity under a

[1] For an interesting discussion of the problem arising from the superior-subordinate relationship, read "Freedom, Authority, and Decentralization" by Bennett E. Kline and Norman H. Martin in *Harvard Business Review*, May-June 1958.

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system whereby others decide moral questions for them?

All of the external obstacles discussed above contain a high degree of pressure persuasion. None uses physical force to coerce the person being restricted, although the seed of force is there ready to bloom forth in all its ugliness. The adult child, if he chooses, can cast off the domination of his parents. The spouse can sever the marital bonds. The young baseball player can quit. The employee can resign. The member of a domineering church can resign altogether or transfer to another church. The final choice, as with internal obstacles, remains with the person himself – either to submit to the interference of others, or to decide for himself.

When Coercion Is Involved

The second category of external obstacles differs from either of the previous obstruction groupings, in that it involves physical coercion (or its threat) against one's person. Refusal to comply with the directives of coercive force results in forfeiture of one's liberty or life or property. In this area, freedom of individual choice can vanish unless virtually all persons agree to protect each other against coercion.

Running through the great religious and moral codes is a common theme sanctifying the right of each person to his life and property –"thou shalt not kill .... thou shalt not steal." Most governments have laws against murder and theft, often punishable by imprisonment or death.

While almost everyone is aware that it is unlawful both in the eyes of God and of men for an individual person to murder and steal, a large number of society's members have become blinded to the very same laws of God in situations alleged to be more complex. The same society that prohibits any one of its members from stealing from another enacts laws permitting some to take the properties of others. The same society that would never tolerate the enslavement of any one of its members by another enacts laws withdrawing freedom of choice from everyone.

This is the area of deep concern. In the name of the *public good* and the *general welfare,* society through its organized government removes the freedom essential to *individual good* and *individual welfare.* Without individual welfare there can be no general welfare, no matter how sincere are those who believe that as a collective they are endowed with more and better knowledge and wisdom than any individual. How two boys, both of whom have

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mastered the multiplication tables through the sixes, can together have more knowledge about multiplication than each has separately is difficult to reconcile with logic. Yet this is the illogical premise of those who expect government to excel at any task undertaken, and who even go so far as to withdraw from all private persons or groups the opportunity to try to solve certain problems at hand.[2]

One can only wonder at the quality of such faith held by these admirers of government intervention. Fans of a good football team usually urge a post-season championship game with another winning team to test the skill of their favorites. They have faith that their team can "take on" the best and come out victorious in a fair contest with the same rules applying to both contestants. Not so with the interventionist's faith, however. He urges government into the electric power field, for example, only on the condition that there be special rules in favor of government, such as relief from taxation, interest-free financing, and enforced investment.

While people individually may choose to invest or not in a private power company, such choice is denied in the realm of government-owned power ventures; everyone must invest via taxation. Investors in a private company can sell out when they please, but not one of us can sell his individual "investment" in the government's Tennessee Valley power project. There is no faith among interventionists that government can attract and hold investors voluntarily or successfully compete on an equal basis. Faith is thin that must be supported by force of law.

Central Regulation and Control

A philosophy in favor of big, powerful government that substitutes centralized bureaucratic dictates for the numerous separate daily decisions of millions of individuals, is a philosophy opposed to the growth and development of each individual person in the country. Knowing the whole cannot exceed the sum of its parts, we must realize that neither can the growth and development of a nation exceed the growth and development of its individual citizens.

The man who is required to pay social security tax as a hedge against his old age is not likely to develop respect for frugality. The wage earner whose federal income

[2] See Leonard E. Read, "Let Anyone Deliver Mail," *Essays on Liberty*, Volume V (p. 390) and John C. Sparks, "If Men Were Free To Try," *Essays on Liberty*, Volume III (p. 63). The Foundation for Economic Education, Inc., Irvington-on-Hudson, New York.

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tax is deducted before he possesses his wages is unlikely to develop a deep patriotism or vigilant watchfulness about the things his taxes go to support. A parent whose child is educated at public expense, forced to attend and to be taught a state-directed curriculum, is not likely to be concerned about thrifty use of educational funds or in the quality of instruction – until one day he discovers that his child cannot read. Then the parent discovers that he himself has failed the parenthood course of life, largely because the government education system had removed his right and duty to make decisions involving himself and his child.

Urban Renewal Problems

The downtown merchants and landowners who receive the presumed benefits of the federal government's urban renewal handout will probably continue to overlook the voluntary economic decisions made daily by their present and former customers. These decisions point clearly to a new and changing world of shopping in which downtown is no longer the prime destination for the nation's housewife as she sets out to buy. The artificial aid will merely numb the recipient into a false sense of well-being while he is losing his customers. The builder of new apartment houses in "slum clearance" areas will eventually come to realize that there is today a popular preference for living in the country rather than in the city, leaving too few tenants to return him a profit on his new apartment business. Developers of industrial tracts on "cleared" land may find that higher local taxation growing out of the urban renewal program is not an attraction to new industry. Every such interference removes, either by restraint or false lure of a government-conceived bargain, the vital role of decision-making by individuals.

Socialized Medicine

Those citizens who clamor for government programs to artificially control the field of medicine unwittingly propose to rob their self-reliant fellow citizens (and themselves) in numerous ways. Since one step of government interference inevitably leads to further "free" service and control, one can logically expect an early proposal for government fixing of the maximum fees to be charged by doctors. This has happened in other parts of the world. A ceiling price is established by government only when the legislators believe that the prevailing price or fee is too high. When they fix it at a lower level, they hope that more persons can afford the treatment

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or operation. A delicate but expensive operation, perfected at the outset by a few highly skilled surgeons, undoubtedly would be a blessing to many sufferers. The relatively high fee does not prevent a person from choosing between values; and if the restoration of vision, hearing, or other normal bodily function is worth the sacrifice of less-valued possessions, the sufferer will choose the delicate operation in exchange for the fee.

However, if government intervenes to fix fees, the choice to the sufferer will probably disappear. The surgeon may find it more rewarding, for example, to perform ordinary tonsillectomies than to drain his nervous strength in an intricate operation on the inner ear. This operation that has been restoring hearing to many grateful patients at an "open market" fee of several hundred dollars would not be available at all *if* $50 were set as a maximum fee by government. A ceiling price always leads to the disappearance of the product or service; and a ceiling fee for the delicate ear operation would merely diminish its availability, with eventual loss of technical skill and doctor recruits in that specialized area. Such restrictive action would deny individual choice to many persons, doctors and patients alike.

Tax Barriers to Progress

High tax rates on earnings and excessive interference and control is discouraging to those potential entrepreneurs who would start new businesses or expand existing businesses in our country. Some other nations of the world, meanwhile, have encouraged growth of industry there by reducing or removing government intervention. Growth and development occur when people live in an atmosphere of minimum restraint and maximum freedom. The policy of interventionism threatens to sap the strength of our country, for progress depends upon individual freedom to decide. Authoritarian obstruction emanating from Washington and the state capitols erodes, deeper by the day, our liberty to choose.

These are typical examples of the countless infringements by organized society against the right of its individual members to make their own decisions. Few of the foregoing examples show anything but the good intent of those who, through government, decide for others. Among the worthy objectives are cheaper electric power, certainty of saving for one's later years, convenience of paying taxes, education for all, restoration of the former downtown economy, lower surgical fees, and business regulation. But in the attempted

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attainment of these goals, incorrect methods have been adopted, resulting in lost goals, and worse, lost opportunities to be self-reliant, decision-making individuals.

The Uses of Adversity

Mankind favorably evolves only as each man progresses. Every person has to do his own fighting to achieve a worthy goal. As Charles de Gaulle put it: "The man of character finds an especial attractiveness in difficulty, since it is only by coming to grips with difficulty that he can realize his potentialities." It helps no one to remove the consequence of a person's choice. Each individual must of his own choosing overcome obstructions blocking his way toward fulfillment of his purpose. Such obstructions are sufficiently numerous and difficult in themselves without other persons in society adding more obstructions through the organized coercion of government.

While a person may wish sincerely to be his brother's keeper, this activity should be confined to personal encouragement and making available such enlightenment as he has attained that may arouse his brother to achieve his own purpose. Coercion applied to him, even with a good intent and a worthy objective in mind, will do nothing for his development and may, in fact, corrupt both the coerced and the coercer.

The freedom to make decisions is the God-given right of every human being. Let us remove those governmental obstructions that prevent independent choice, and *restore the freedom to decide.* ◈

IDEAS ON LIBERTY

To What Can One Turn?

THEY SAY no tyranny can match that produced by the vote of a majority. Many mad social schemes have been foisted off on the American public under the guise that "the people voted that way." Already our people have been driven from choice to compulsion, from self-reliance to the pitiable position of dependence. In the end this is certainly a grim circumstance. Progressive science proves that the future will be found in growth, not stagnation. Do we want the prodding road of self-determination and creation, or the seemingly comfortable road of dependence and slow degradation?

In the absence of self-reliance and responsibility, to what can one turn for true direction?

RALPH E. LYNE, Taylor, Michigan

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Bureaucratic Decisions

PAUL L. POIROT

GOVERNMENT-PLANNED agricultural programs aren't working out in the Soviet Union, or in Red China, or in other countries under totalitarian rule. For some reason, the plans have gone awry and there isn't enough food to go around.

The United States, at the same time, is plagued with more foodstuffs and other farm products than consumers seem to want.

Many Americans, who know perfectly well why Russian and Chinese peasants are facing a greater than ordinary threat of starvation, are thoughtlessly saying: "We'd rather have problems of surplus than of scarcity. And let's not change the nature of our problems by aping the methods of totalitarian governments that substitute the decisions of bureaucrats for the decisions of the market place."

The leak in that line of "logic" is that American surpluses do not stem from decisions of the market place. The market encourages conservation of any resource in short supply and discourages further production of goods or services for which there may be a dwindling demand. Rising prices freely bid by consumers for a scarce resource tell present owners to handle with care the supplies on hand while doing their best to produce or obtain more of the item.

Declining prices, on the other hand, as reflected by decisions of the market place, tell consumers and producers alike that the item is abundant, that possibly new or increased use ought to be made of it, and that there is no great urgency to supply more of it at the moment. In other words, the market place reflects at once the best judgment of those buyers and sellers most closely concerned and most able to do something about the supply of and the demand for

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any given item, whether it be relatively abundant or relatively scarce. If prices are free to fluctuate and reflect the true market situation, the conditions of so-called scarcity or surplus are avoided.

Shortages and Surpluses

Both scarcity and surplus, then, are problems arising out of bureaucracy and totalitarian government; they do not result from the free play of market forces. Scarcity or surpluses stem from efforts to fix the price of a good or service either lower or higher than might be agreed upon through competition between willing sellers and buyers in a free market. Shortages are to be expected when prices are fixed too low to bring forth a supply equal to the demand. Miscalculations of totalitarian planners direct resources into improper uses, and starvation may be the price people then have to pay.

If prices are artificially pegged so high that production outruns use, then surpluses develop. This, too, is a miscalculation, or misdirection of scarce and valuable resources; and the people pay, in one way or another.

Surpluses of farm products are well known to Americans of the mid-twentieth century – wheat, cotton, butter, peanuts, and what not – production being subsidized and use discouraged to provide a world-shocking example of wasted resources.

True, Americans are not starving for food. It is abundant. But a man may hunger for many things for himself and his family. He lives not by bread alone. The stockpiles of wheat are plainly visible. Seldom seen or seriously contemplated are the frustrated ambitions and undeveloped alternatives to which taxpayers might otherwise have devoted their energy, ingenuity, and property. A person might have preferred an education for himself or his child, or medical attention, or a home of his own, or funds for research and development of an idea, or opportunity for rest and recuperation, or many other things more important to him than a surplus of wheat. Who knows how many dreams – indeed, how many lives – have been dashed by the tax-gatherer and buried under those mountains of surplus?

Furthermore, some of our most wasteful surpluses are not even recognized as such – because the government apparently has unlimited use for all the moon shots or new aircraft designs or urban renewal plans or "defense" highways or other projects that irresponsible government spending can develop. These are surpluses

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in the sense that no individual would willingly create or buy them in any such quantity at his own expense. And such projects surely divert resources from a thousand and one other uses owners might have had in mind.

As a national average, taxes take about a third of personal income to support bureaucratic decisions. But a much higher proportion of income is taken, through graduated federal, state, and local taxes, from the more creative and thrifty members of society. And these tax-inflicted shortages that appear to hit hardest the wealthy few are, in reality, borne by the poor who can least afford trips to the moon. Our lives are thereby diminished, our potentialities unfulfilled. But these are shortages or lost opportunities for progress that no bureaucrat could possibly recognize or measure; nor is it possible to hold a bureaucrat accountable or responsible for the impact of his actions on others.

Personal Responsibility

Now, it may be that, by your standard, or mine, some individuals wastefully use their own lives and their own resources. This, of course, is unfortunate. But, at least, the life a private citizen wastes is his own; it is his own fortune that he dissipates; he is held responsible and accountable for his own mistakes. He has no power to tax his more productive or thrifty fellow citizens to cover his personal failures and deficits. By and large, his power to downgrade society is limited to the damage he can do to himself and his own; there is no way for him to pyramid a personal disaster into a national calamity. And to the extent that he is held personally responsible, he has the maximum incentive to take corrective action at the earliest possible opportunity. This is why general shortages or surpluses do not and cannot develop under competitive private enterprise in a free market.

Both shortages and surpluses, whether Russian or Chinese or American, are a consequence of substituting the decisions of bureaucrats for the decisions of the market place. The same miscalculation that results in a shortage or surplus of one thing adversely affects the supply-demand relationship for other things, and there's nothing constructive that bureaucrats can do about it except to stand aside and let the market function. American bureaucrats are no better than those of any other nationality when it comes to making socialism work. It can't be done. ◈

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HOW Winstedites KEPT THEIR INTEGRITY

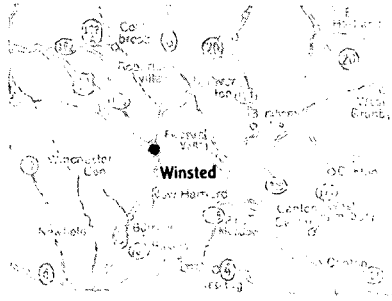
RALPH NADER

"OPPOSE a public housing project! You might just as well come out against Mother and Social Security."

In the face of this typical defeatist attitude, the rejection of a federal housing project in three successive referendums in Winsted, Connecticut, is of more than local significance.

The issue first arose in this New England mill town of 10,000 people in December 1957 when the local housing authority brought before a Town Meeting a proposal for fifty federal housing units. Despite public apathy, the proposal was defeated by the tiny vote of 20 to 16. However, it was re-submitted the following month and approved by a voice vote.

The townspeople seemed largely unconcerned through the next two years of preliminary preparations for construction. But in January 1960, a young housewife's letter in the local paper questioned the whole idea of public housing, pointed to some of the likely injurious consequences, and berated citizens for letting it be imposed



upon them by default. In short order, 550 signatures were secured petitioning for a referendum on the project; and when the vote was counted in April 1960, after the largest referendum turnout in recent history, the project had been rejected two to one.

By then, however, the local housing authority had spent some $20,000 of federal disbursements; and housing proponents petitioned for another referendum, which was held in August 1960. The vote, even heavier than that of April, again spelled a resounding rejection.

The next move came when the federal Public Housing Authority called a meeting of selectmen and local housing officials to offer what it called a "redirected" program. The earlier proposal had involved 40 low-rent units and 10 units for the elderly. The new alternative

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was to reverse that ratio. And in some unexplained way, the adoption of the "redirected" program would also absorb the $20,000 otherwise to be billed against the town.

Their "concern for the elderly" prompted the selectmen to call for a new referendum. On April 28, 1962, aroused but weary voters rejected the program for the third time – a most remarkable showing of integrity in the face of formidable pressure.

Enabling Legislation

In Connecticut, the state enabling act for the creation of local housing authorities by municipalities sets the official tone. The statute declares that a serious slum condition exists, unrelieved through private enterprise. This supposedly justifies the use of tax-collected funds to provide housing accommodations. As in other states, local housing authorities are given autonomous status which shields them from both the town governing body and the voters and thus fails to encourage responsible action.

The statute is so drawn that the members of the housing authority, who serve without pay (which can be very costly), may delegate all powers and duties to the executive director. This had been done in Winsted.

The statute does not require that local housing authorities make any housing surveys or other studies before proposing public housing. When the law itself encourages rather than safeguards against abuse and bureaucratic dominance, freewheeling and irresponsible projects are likely to result. Unrestrained by legal standards and used to public apathy, housing officials at federal, state, and local levels are prone to assume that they need only decree a project to have it carried out.

Under the U. S. housing law, the local authority is permitted the use of federal funds to acquaint the public with any housing proposal. Prior to each of the first two Winsted referendums, the authority drew upon federal funds for newspaper advertisements in behalf of its program, for "progress," "growth," and "sympathy for one's less fortunate neighbors."

Need for Information

A group of citizens sought to break the authority's monopoly of significant facts, requesting the selectmen to send the authority a list of questions concerning costs, consequences to the Town, and the alleged need for the project. But, secure in its autonomy, the authority rejected brusquely

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this bid for public information. Such agencies can maintain their secrecy with near impunity, since resort to the courts is expensive and time-consuming and seldom satisfactory, anyway, in suits against housing authorities.

To rely on the popular vote is not an entirely satisfactory alternative. A majority decision may be unjust, though democratic, and the rights of a minority may be violated. Moreover, the right to vote is impaired in substance when there is not access to information upon which to base judgment. Nevertheless, the referendum appears to be the only remaining practicable way for citizens to check the actions of housing authorities. Giant government has outgrown the capacity of the institutions designed to restrain its encroachments and abuses.

The Winsted experience revealed much lack of understanding as to how the lives of people are affected by public housing.

"I am against public subsidies but I want to get back our share of the tax dollar instead of having it go to some other city."

"It's free, so why not grab it?"

"We pay high taxes, let's get some of it back."

"This project doesn't cost the Town a red cent and it is being offered to us. Thousands of towns have low rent housing, hundreds more want it. Anyone who wants Winsted to grow and progress should vote for it."

Some tenants who had recently argued with their landlord thought the project would be "healthy competition." Others favored the project on the ground that it would bring more people, especially elderly couples, to live in Winsted. Finally, it was widely asserted that private enterprise would not do the "job" (not described) so public funds had to be used.

Presenting the Evidence

To inform the townspeople about the nature of the housing project was a difficult task. Common conviction and concern brought together a small number of citizens from various occupations. They set out, each in his own way, to talk about the project and why it should be rejected. By telephone, personal contact, letters to the local paper, they implemented their belief that right will prevail when given half a chance to be heard. What was their message?

1. Public housing involves an *annual* subsidy by local taxpayers as well as an initial and continuing subsidy by all taxpayers. Federal housing projects pay 10 per cent of collected shelter rents

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to the Town in lieu of taxes. This amount is usually one-tenth of what that property would pay in local taxes were it fully taxable. Consequently, an extra burden is shouldered by private property in the form of a higher property tax.

2. Public housing pushes private housing toward deterioration and away from expansion. The private sector must pay for public housing which, in turn, takes away their tenants from whom income is derived to pay the taxes in the first place. "It takes the fruits and chops the roots," as one old-timer phrased it. The more public housing, the more difficult for owners to keep their property in repair and the weaker the incentives for people to want to own their own homes. Instances were found where potential home owners held off buying until the outcome of the referendums was known.

A vicious circle begins to operate; as private property is undermined by public competition, private investment is discouraged by the threat of more public housing. As local taxes increase, the prospects diminish for new or expanding industry.

Public housing accentuates that which it professes to alleviate, creating conditions that will raise the call for more public housing. It will destroy the incentive to build new dwellings and to develop creative methods of private financing.

3. Consider the proposed project itself and the people who would occupy it – the drab, uniform, barrack-type existence. Living under the government as landlord neither teaches children the value of property (which is one reason why public housing deteriorates so quickly) nor produces the environment for the exercise of independence, self-reliance, and, above all, citizenship. Any government intrusion into the economy deters the alleged beneficiaries from voicing their views or participating in civic life. The reason for this goes beyond the stigma of living in subsidized housing. When public housing becomes, as it has over the nation, a source of additional patronage for local distribution to contractors, repairmen, and tenants, the free expression of human beings is thus discouraged.

4. The local housing authority was discredited by exposing its policies to the public. It had made no attempt even to produce a housing inventory before spending vast sums of money. It had never explored the possibilities of any private housing solution to alleged needs, but always assumed the public way. It viewed its func-

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tion as obtaining more and more public housing in spite of repeated referendums to the contrary. In this way, it was trying to wear down the voter.

5. An average of 75 decent dwellings for reasonable rent were shown to be regularly available in Winsted, where dwelling space per capita had increased over the situation ten years ago. A check of housing facilities showed quite the opposite of what the local authority had been alleging without substantiation.

6. Finally, there was the appeal to principle. People were asked whether Winsted should be like other towns who had succumbed to the Lorelei of "getting our share of federal funds before somebody else does." Would Winsted be different by being responsible, by showing community integrity? Is Winsted to admit that the resourcefulness of its citizens has reached the low level of rushing, hands unfolded, to the service state? It was discovered that holding people to high standards can bring about an encouraging response.

In summary, the approach employed to defeat the repeated onslaughts of public housing proponents was to explain the cost, the abuses, and the consequences to the Town. The steady bit by bit erosion of private property was clearly described along with the explanation of what private property contributes to the Town. All this required leg work, the tedious but essential job of reaching people and overcoming their apathy and "can't fight city hall" attitudes.

A Vital Lesson

If there is a single lesson to be learned from Winsted's experience, it is that freedom, to be meaningful, must find direct expression in practice as well as in principle. Articulations of principles of liberty may provide the understanding, but these must be practiced to give freedom objective existence. Freedom is a process of being and becoming, in our laws and their enforcement, in our institutions and the purposes for which they are used, in our policies and methods and daily behavior. The faster our way of life changes, the greater the danger of service state dominance and the greater the need to strengthen the "tools of freedom." Principles have their noble pedestal in man's life but to defend their living substance requires continual citizenship in action. One must act, as well as articulate; and in each community the success with which these are fused will spell the gain or the loss of the blessings of liberty. ◈

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To Help a Neighbor

GLENN L. PEARSON

ON A COLD, windy, early autumn day some fifteen years ago, a disastrous fire struck my neighbor's farmyard. It destroyed all of the feed this dairyman had stored to carry his cattle through the seven months until he would begin to reap again. It burned his machinery, even killed a few of his animals. He had no insurance, and could not continue on his own resources alone. Yet, he was soon back in business, on the way to his former independence—without government subsidy!

How was this done? Through private charity and regular business channels. His neighbors immediately gave him enough feed to last two or three months. They helped with the extra chores he faced due to loss of his milking facilities. His church, through the voluntary contributions of his neighbors in a broader sense, loaned some money. He was able to borrow the rest of what he needed on his own credit from regular lending agencies.

His church loaned rather than gave the money, and then only after he had exhausted his own resources, because the philosophy of the church is that men should be as self-reliant as possible. After all, the fire was his responsibility: it was caused by faulty wiring. The loss was his fault: he should have been insured. It would not add to his stature as a man to let him think that, in some mysterious way, something called "society" was responsible and should pay.

An important moral of this story is that, contrary to the ugly suspicion of the socialist mind, there are people who will help their fellow men voluntarily. And everybody benefits by it: the helped ones appreciate the generosity of their neighbors and seek to return the favor in kind; the

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Illustration: A. Devaney, Inc., New York.

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helpers know a joy that comes only from voluntary giving.

Another lesson that might be found in this, if one looks hard enough, is that the government cannot stop expanding public (*coerced*) welfare programs if it starts them. Who is to say that government insurance should stop with medical care for the aged and not include reimbursement for every conceivable disaster which might threaten the success of a business venture? Is government wiser than God that it should save men from the consequences of their own deeds? When people have become accustomed to looking to government instead of themselves, they then will expect the government to do what my neighbors did. And since government is by nature inefficient, it must take care of the total welfare program at infinitely greater cost than under voluntary private welfare. On top of all the help that normally would have been needed are added two heavy burdens: first, the burden of those who become wards of the state simply because they can get away with it; second, the burden of graft and bureaucracy.

But let me continue my story; for it shows the operation of the socialist mind—that is, *my* mind as it had begun to function at that time.

The fire started before dawn one Sunday morning and was out of control when it was discovered. A few hours later that same morning, the victim's fellow church members gathered in their chapel at a regular meeting of the adult males of the area and were addressed as follows by their presiding officer: "I guess you all know that Jim was burned out this morning. This is a terrible disaster for him. We must all give until it hurts and then keep on giving until it feels good. Most of us are farmers. I suggest it would be easiest for us simply to give feed. Of course, money and building materials are going to be needed, too."

Within a few minutes several hundred dollars in money and materials had been pledged. These were not idle pledges; they were fulfilled, for they came from hearts filled with sympathy and pain for their unfortunate neighbor.

Pocketbook Pains

I, too, felt a pain which I then mistakenly traced to a generous heart, though I have since changed the diagnosis. It came from my pocketbook. It was a geographic error. My wallet was *near* my heart but not committed to its service.

Wanting to be *known* as a man who was concerned about the wel-

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fare of his fellow men, I got the floor and said, "I think this is a problem that should be solved on a higher level of responsibility. I am not opposed to our giving locally. But we cannot give enough. I believe this should be solved on the level of the General Church Welfare Program. Each of us already has given 10 to 15 per cent of his income to help the various charitable programs of the church. It is not fair to expect us to meet all of these emergencies alone. I think that is the reason we have the general program. Let us call on them for help."

The others blinked, for such reasoning had not occurred to them. They lacked the "refinements" of modern welfare state thinking wherein the responsibility is put as far away as possible, even to that magic basket of plenty called Washington, D. C. But I knew, for I was majoring in social science in a large university. It was agreed that the following Sunday we would invite a church official to explain why the welfare program had not given immediate help in this case of extreme emergency.

The man came and I was ready for him, burning with desire, as I supposed, to help my unfortunate neighbor. I was soon to realize, however, that my burning was from shame because I had not stepped forward with my own small offering. Subconsciously, I was hoping to expiate the sin of my neglect by seeing that someone else did the job. I had a speech all prepared in my mind: "All my life I have heard about our wonderful, efficient church welfare program. Yet, the first time I see a real chance for it to do something, we have to fall back on a system of begging. What is wrong?" Fortunately, I did not have a chance to give my speech.

The Program Explained

The president of our group introduced our guest who then made the following statement:

"I understand you have some questions about the church welfare program, but first let me give a brief history of it.

"In the early days of the depression of the 1930's the leaders of the church became concerned about the increase in the number of poor among us. Through a series of events and developments, the church increased its facilities for caring for our own people. It wasn't anything new. It just became bigger and required more attention.

"As you know, a basic tenet of our faith and teaching is a passionate belief in liberty. As a people, we generally felt that the programs that were being introduced in Washington, D. C., would in-

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evitably lead to moral decay and loss of freedom. For liberty cannot be divided. We cannot speak of freedom of worship without the right to own property. And one eventually must lose his right to own property if government continues to increase its activities and responsibilities.

"We recognized that in the enlargement of our church welfare program we could make the same mistakes as the government, and thus destroy the moral strength of our people. We saw that we must not help anyone in such a way as to rob him of his self-respect or his ability to go on and help himself instead of becoming helpless. So all of our programs are designed to preserve these virtues.

"In this connection, our policy is not to loan money to people who are able to borrow it through regular business channels. For that would be unfair both to business and to those to whom we loan the money. Everything must be done to encourage our people to keep their self-reliance. We also must be careful not to create an impression that our loans are really gifts in disguise. Our object is to help, not hurt, those to whom we loan the money.

"And there is another factor we must consider. It is the factor of judgment, justice, or responsibility. We think of the obligation of welfare or Christian giving as being operative on three levels. First is the family level. The members of the family should have the first privilege and responsibility of helping their own needy. If they help, theirs are the blessings of the Almighty. If they fail to help when able, they stand condemned before His judgment bar. If we step in without giving members of the family a chance, how can there be a blessing or a judgment on them?

"Next are the neighbors. They, too, should have a chance to succeed or fail in the most important challenge that comes to men. Let me read from the book of Matthew, chapter 25, verses 31 to 46 – enough to refresh your memories. You read the rest when you get home.

"For I was an hungred, and ye gave me no meat: I was thirsty, and ye gave me no drink: I was a stranger, and ye took me not in: naked, and ye clothed me not: sick, and in prison, and ye visited me not.

"Then shall they also answer him, saying, Lord, when saw we thee an hungred, or athirst, or a stranger, or naked, or sick, or in prison, and did not minister unto thee?

"Then shall he answer them, saying, Verily I say unto you, Inasmuch as ye did it not to one of the least of these, ye did it not to me.

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"Finally, if the family and the neighbors have failed, or if the job is manifestly too big, the higher headquarters of the church welfare program take over.

"Now, are there any questions?"

There were many questions. But all of them were friendly. And none came from me. I had heard enough. In clear terms, without apology, this man had told the simple truth. It stood by itself.

"Deliver Me from Responsibility"

There are many ways one can say, "Let Washington do it." But they all add up to the same thing: "I want the responsibility as far away from me as possible." In the case of social welfare by government, it means: "I am ever so anxious to have the poor cared for. But I do not believe it will be done unless people are forced to do it."

Of course, we cannot say that every social planner is basically stingy and suspects everyone else of being stingy. But what possible motive *can* a man have for wanting to put the responsibility of social welfare on the willing shoulders of the bureaucrats in Washington? How much is needed? Who can say where poverty stops and plenty begins? Where can government get what it gives but from the people? How can it take it but by the use of force? How can it avoid taking more and giving less? We do not escape the problems of our needy neighbors by putting these problems at the door of the legislators in Washington. We only compound what must eventually return to us for solution.

Can the advocate of coercive social welfare salve his nagging conscience by demanding help from the government for the people he personally passes by and leaves "an hungred, athirst, naked, sick, and imprisoned?" ◈

CORRECTION: On page 54 of the June 1962 FREEMAN it was reported that ". . . . studies conducted by the Urban Land Institute reveal that the cost of servicing downtown areas generally exceeds the taxes collected from those areas . . . ."

Subsequent efforts to document this report reveal quite the opposite conclusion, and we deeply regret that inadvertent misrepresentation.

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KEYNES *versus* KEYNES

FROM Henry Hazlitt's recent *The Failure of the New Economics*, the reputation of the late John Maynard Keynes emerged in a sorry state of disarray. Professor David McCord Wright does not directly take issue with Mr. Hazlitt's estimate of Keynes in his *The Keynesian System* (Fordham University Press, $3.00). But unlike Mr. Hazlitt, Professor Wright insists, by implication at least, that in spite of all his faults Keynes remains one of the towering figures of economics. It is the "Keynesians" to whom Professor Wright objects. Lord Keynes, in his view, was not a "Keynesian."

The "Keynesians," says Professor Wright, have been guilty of selecting that portion of the famous *General Theory of Employment, Interest, and Money* that was elaborated to fit the peculiar condition of England in the twenties and thirties and making it do duty as an "explanation" to fit any time and place under conditions of advanced capitalist machine production. For this aberration on the part of his many disciples Keynes himself was admittedly to blame. In the first place, says Professor Wright, the "general theory" which the title of the book is supposed to cover is not general, it is a particular theory designed to fit a special instance. Keynes, however, corrected himself in the course of writing his book. His own actual "general theory" is larger than the theory that is indicated by the title.

Professor Wright arrives at his conclusions by taking careful note of Keynes's qualifying phrases. The *General Theory* is spangled with sentences that have a tentative flavor. Thus Keynes says, "*In contemporary conditions* the growth of wealth, so far from being dependent on the abstinence of the rich . . . is more likely to be impeded by it." Or: "Interest *today* rewards no genuine sacrifice, any more than does the rent of land." The italics have been added by Professor Wright.

To clear the long-term elements of the Keynesian system from the misunderstandings that have been cultivated by those who have failed to note the sort of thing that Professor Wright chooses to

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italicize, one must first take Keynes as a man of the twenties and thirties who was interested in immediately practical solutions. The England of the twenties was a deeply crippled country. Its productive plant was old, the price of its exports was high. What was needed was modernization of productive equipment. But an "intensely job-conscious, and very powerful" labor movement resisted modernization, on the short-sighted theory that it would upset union boundary lines and exploit the worker. Meanwhile, crushing taxation helped to stifle whatever initiative business did manage tentatively to put forth.

The restoration of the gold standard, which was undertaken to save the third of England's balance of payments abroad that were met by the "export" of banking and insurance services, did not help to revive the export market for British manufactured goods. Picking the story up "in the middle," Lord Keynes took the decline of the "marginal efficiency" of British capital for granted. Since there seemed to be no expectation of profit in a stagnant world where savings were not flowing into investment, Lord Keynes started elaborating a "general theory" for a "frozen" economic system.

There followed all the famous "Keynesian" proposals: let wages remain where they were, let the government "tax and spend" to spread purchasing power to the unemployed, let deficit finance create "government investment," let everyone have his bit of Beveridgean social insurance. The "euthanasia of the rentier" would be rendered painless of letting the impoverished capitalist come under the general welfare provisions along with the rest of the country. The nation, in Wright's words, could "become happily stagnant."

A Very Special Situation

Professor Wright thinks Keynes's proposals might have made sense on their own rather craven terms for a New Zealand or a France, which were countries that "could have fed themselves and become peacefully poor." But England, unlike New Zealand or France, is in no position to feed itself. "England then and now," says Professor Wright, "can only eat by selling abroad and can only sell abroad by producing better and cheaper goods. The problem of relative efficiency inexorably presents itself."

Sooner or later, Keynes would have had to confront the need for thoroughgoing capitalist innovation in the English economic system. But the war came and "gov-

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ernment investment" took over temporarily.

That Keynes himself was not a "Keynesian" for all times and places was proved during the war. Foreseeing that the war might create both scarcity and inflation (in other words, bring about a condition that was a negation of the twenties and thirties), Keynes went back on his prewar proposals for the establishment of indiscriminate credit. His *How To Pay for the War* was a scheme for drastic taxation of consumption "coupled with certificates which could be cashed when (or if) unemployment returned." In other words, Keynes had "set upon a more orthodox track in his thinking." Professor Wright doesn't think Keynes was guilty of inconsistency in stressing the need to face different times with different economic policy. For Keynesian analysis, even on the basis of suggestions in the *General Theory*, recognizes that when full employment is a fact, a government "would want to be able to 'pull in its horns' without having created too much extra credit."

This being the case, "we see that Keynes and Keynesianism becomes no longer a revolutionary bogey but a very moderate and respectable school of thought." If Keynes had lived, so Professor Wright says in a quietly malicious footnote directed at the "Keynesians," he "would have tried to balance stability versus pressure groups about where the Eisenhower administration did – except that Keynes would probably have tried to be more conservative!"

A Fundamental Error

What particularly annoys Professor Wright about Keynes's American and Canadian "disciples" is that they are thinking of present-day North America as constituting a post-World War II version of the Britain of the twenties and the thirties. We are supposedly "glutted" with production. "Innovation" is not needed. What is important is "purchasing power," which should be spread among the workers by granting them nine-tenths of the gains from "productivity." Thus the "Keynesians" in their stuck record left over from 1938.

Maybe the United States and Canada, like France or New Zealand, could become "happily stagnant" by following such advice from the "Keynesians." But North America, outmaneuvered in world markets because of a failure to let increases in productivity flow into lower prices, would soon be drained of its gold. And the penalty for "happy stagnation" would assuredly be a controlled

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economy. As Professor Wright puts it, quoting from Schumpeter, we would have "capitalism in the oxygen tent." The shadow of private property might remain, but there would be no freedom to experiment and little social mobility save through government channels. The young, of course, would try to succeed by becoming bureaucratic courtiers.

Keynes died before he could see where the "Keynesians" were headed. On the basis of his correspondence with Keynes, Professor Wright undertakes to "broaden the model" left by the dead master. He notes that Keynes himself actually used two models of the economic system, one a mechanical one with mechanical outlook, and the other a "dynamic, subjective model." If Keynes had lived, he would almost certainly have stressed the need for savings, for innovation, for profits, and for lower prices in a world that is in dire need of an expanding economic system to feed the "exploding" millions of Asia, Africa, and tropical America.

Europe has responded to the changed situation by rejecting the counsels of the "Keynesians." And North America, if it is not to be outdistanced, will have to follow suit. The Lord Keynes who, in a thoughtful moment, praised Professor F. A. Hayek's *The Road to Serfdom*, would hardly have urged more "government spending" as the cure for the ills of 1962. Professor Wright shows why.

Much of the middle part of Professor Wright's book consists of a technical analysis of the Keynesian "tool box." Unlike Henry Hazlitt, Professor Wright is willing to grant logical value to the Keynes system, provided the postulate of a "frozen" economic world is accepted. In Keynes's *General Theory* the "apparent" contradictions disappear, according to Professor Wright, as soon as one realizes the points at which Keynes has tacitly "unfrozen" the system. It is the continual switching of assumptions that "forms a continual trap for the careless or biased reader." ◈

▶ OUT OF STEP—The Autobiography of an Individualist, by Frank Chodorov (New York: Devin-Adair Company, 1962). 261 pp. $4.50.

Reviewed by Robert M. Thornton

NO ONE today takes his life in his hands when he expounds the concepts of individual liberty, limited government, and free enterprise. His audience may be small but its growth rate is sufficient to warrant publication of more and more conservative or libertarian books and magazines. Fifteen, twenty years ago this was not the case.

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In the forties little was heard from fellows who held to such beliefs. One of the few who did speak up for the good cause in those dark days for liberty was one Frank Chodorov. Untroubled by the odds against him Mr. Chodorov started publishing a monthly broadsheet, *analysis*, which was destined to last over a half-dozen years, thanks to a few thousand faithful subscribers. We can, I think, understand the spirit underlying Mr. Chodorov's grand efforts by a careful reading of his statement in the first issue, November 1944:

"It's fun to fight – when what you are fighting for stirs your imagination. Fondly adhering to the ideal of individual dignity, striving to keep alive the embers of that hope which was fired by the American Declaration of Independence, those who are making this paper possible expect only a measure of enjoyment in return. It is in that spirit that I, while I manage to rub along by other means, assume my editorial duties.

"For, to point up the state's encroachment upon social power, to expose the insidious economic forces which are robbing the individual of his will to resist the trend, to suggest a way by which this degradation of man might be stopped short of state-slavery, seems, in the light of what is happening, a fatuous undertaking. What of it? There is a lot of spiritual profit in being true to one's self.

"In carrying on for principle, self-respect at least is preserved. The loser is he who quits; what material advantages or conveniences he might gain by compromise is paid for with the currency of manhood. A pig accommodates himself to the environment imposed on him, and that is why we ascribe to the pig no soul worth speaking about.

"There is further 'profit' which this voice-of-individualism hopes to render its supporters. It is that imponderable value which is derived from communion with kindred spirits. Every reader of this highly opinionated journal becomes *ipso facto* a member of a fraternity of individualists, held together by the greatest of human bonds – a common ideal, a common hope. To know that one has the moral support of a host who, in their hearts at least, protest and proclaim with him, is a real comfort."

Some of *analysis* has rubbed off on this book, and it is radical stuff. It will make delicious reading for the libertarians among us, but some right-wingers – not to mention so-called "liberals" – will find it pretty powerful medicine,

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much too strong to take under any circumstances. For Mr. Chodorov, being a consistent individualist, does not advocate sacrificing individual liberty in order to do battle with those who would destroy freedom. Nor is he concerned with telling people how they should live. His aim is to establish the context of freedom — a society in which men may do as they see fit as long as they do not prohibit others from doing the same.

Mr. Chodorov does not champion the cause of businessmen. Nor does he speak for labor unions, or farmers, or intellectuals, or veterans, or elderly people, or any other group, large or small. He is one hundred per cent for ending all privileges — to all individuals or organizations! He is as strongly opposed to subsidies for businessmen as he is to government-bestowed privileges for labor unions.

Frank Chodorov is a practicing individualist, it should be noted, and as such he has been willing throughout a long life to accept — nay, demand — personal responsibility. Unlike so many who merely talk about freedom, Mr. Chodorov has actually lived by his principles as well as any fallible being can — even when it hurt. He recognized early in his life that no true libertarian could look on security as an ideal for it is, in a real sense, a false idol.

Mr. Chodorov devotes a full chapter of his "autobiography" to his good friend, Albert Jay Nock, who has recorded his own view of our author: "Mr. Chodorov has a social philosophy that is fundamental and his command of it is so complete that he can express his critical view of a large subject in the fewest and simplest terms. In his last issue, for example, he wrote one page on The Unimportance of Yalta and another on Mr. Wallace's Competence. He took these subjects entirely away from the conventional line of approach, applied a new and competent measure to them in the simplest kind of language, and when he ended there was nothing left for anyone to say; he had said it all. . . . Mr. Chodorov has the kind of humor that keeps him always superior to his subject. If the aspiring pamphleteer hasn't that, he had better sweat blood to cultivate it. Much of our controversial and hortatory literature is sound and good enough; but dear Lord, how dull, dogged, dreary it is, and how dismally it plods along on the dead-level of platitude!"

Mr. Chodorov is a colorful personality who could hardly write a dull line if he tried. The reader has a treat in store. ◈

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A Paradox

Do you believe that the employe is entitled to remuneration for his *full* production, equal to the value of *all* that he produces?

Our answer is, YES.

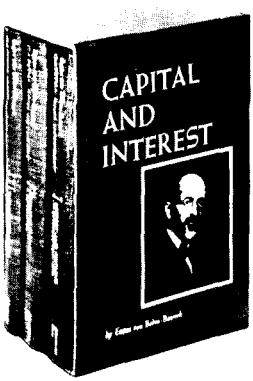
How, then, can there be anything left for the employer? Is he to get no return on his investment?

Yes, there will still be a return, in the form either of profit, interest or rent for him.

But you will say, "That is *impossible.*"

No, it is not! We agree with employes, and admit to them, "*You are entitled to a wage equal to your FULL productivity;* nevertheless, your employer must and will obtain a 'return on his capital'; and what is more, you will wish him to have it — when you understand the economics."

Who pioneered the way through this paradox? Read



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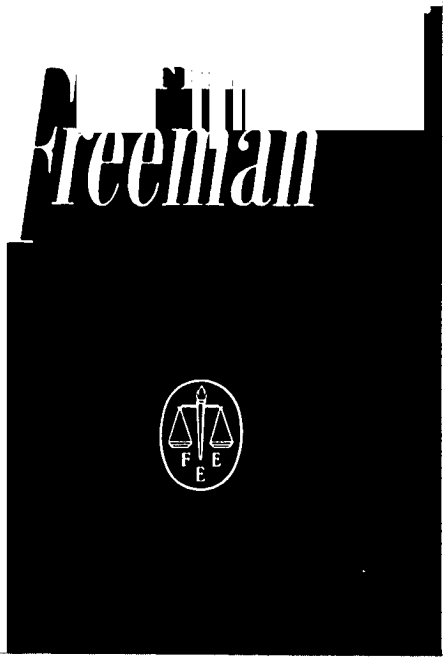

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This sacred privilege is so essential to free governments, that the security of property and the freedom of speech always go together; and in those wretched countries where a man cannot call his tongue his own, he can scarce call anything else his own. Whoever would overthrow the liberty of a nation must begin by subduing the freeness of speech.

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